

ADVANCED MARKETS

The Value of Income Planning[®]

A process for retirement preparedness





Retirement savings accumulation **vs.** retirement income

The path to saving for retirement can be likened to scaling a mountain. It takes strategy, time, and patience to reach the peak, to build and accumulate the funds you need to achieve the retirement lifestyle you want. After you've submitted your accumulation goals, it's important to be prepared for the subsequent considerations that come with the income phase – such as the assets from which you'll withdraw retirement income. After all, research indicates that coming back down the mountain can be riskier than climbing up.

As you'll learn in this brochure, certain strategies can help you feel more confident about your approach to retirement income. The Value of Income Planning® process is one step-by-step approach to consider. Read on to learn how it can help you identify potential retirement income gaps and solutions or vehicles to complement your retirement income – such as an annuity – as a part of your overall retirement portfolio. By following this process, you can develop realistic expectations for your income, expenses, and lifestyle goals in retirement.

Step one: Know your risks

By identifying potential risks, you're one step closer to developing a financial strategy that can help minimize the effects they may have on your retirement savings.

RETIREMENT SAVINGS RISK FACTORS



Longevity



Inflation



Market volatility



Health care



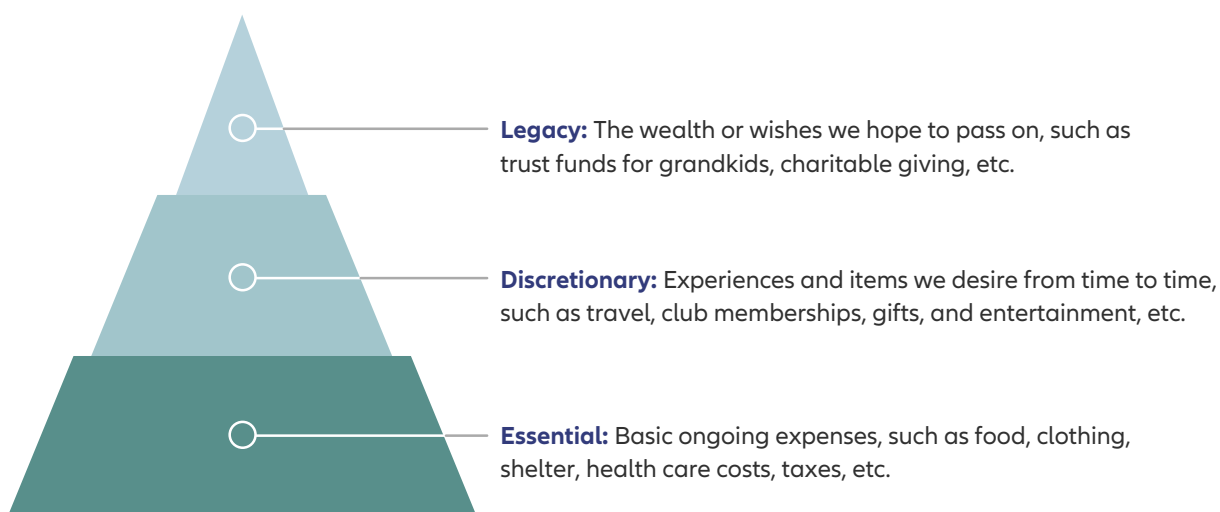
Spending

Step two: Review expense categories

You may think it difficult to predict your retirement spending. However, determining your current expenses can be a great way to help you begin to estimate spending in retirement.

As a general rule, your essential expenses take priority over discretionary and legacy spending, and require stable, dependable, and reliable income. After all, you must cover your essential expenses regardless of market conditions or other factors.

IN GENERAL, YOUR RETIREMENT INCOME goes to three categories of expenses:



Step three: Identify income sources

While retirement income can come from a variety of sources, most people consider Social Security to be the foundation. For decades, America's retirees have counted on Social Security for dependable, reliable income, often with a cost-of-living adjustment.

However, studies indicate that Social Security alone may not be as sustainable a source of retirement income as it's been in the past. That's why it's important to know your options when filing for Social Security benefits – so you can enhance your benefit as much as possible.

Step four: Uncover potential income gaps

The Value of Income Planning® is also designed to help you determine whether your stable sources of retirement income – like Social Security or a pension – will cover your essential expenses in retirement.

If the answer is "no," you will have identified a retirement income gap. Luckily, making this discovery is the first step toward developing a tailored solution that can help provide the retirement lifestyle you hope to experience.



Step five: Develop a tailored solution

Together with your financial professional, you can create a guaranteed income stream to cover your essential expenses for life so your basic needs will always be covered.

Examples of guaranteed income include Social Security, pensions, and annuities. You can also develop a financial strategy to help enhance the discretionary income you spend on travel and entertainment, and to help you fulfill your legacy wishes – like relocating to be near your grandkids or donating to a charity you care about.

With an annuity as part of your income strategy, you can work toward your long-term retirement goals by taking advantage of tax-deferred growth potential, a death benefit during the accumulation phase, and a guaranteed stream of income at retirement. Keep in mind, annuity guarantees are backed by the financial strength and claims-paying ability of the issuing company.

You should carefully consider the features, benefits, limitations, risks, and fees that may be associated with an annuity, as well as the expenses, investment risks, and objectives of the underlying investment options in a variable annuity.

Variable annuities are subject to investment risk, including possible loss of principal. Investment returns and principal value will fluctuate with market conditions so that units, upon distribution, may be worth more or less than the original cost.



You've been successfully climbing your way up the retirement mountain by accumulating funds. Before you start your descent by withdrawing retirement income, make sure you have a strategy to help you cover your potential risks.

Start your retirement income strategy with these steps:

Gather key financial information

Make an appointment with your financial professional

Collaborate on ways to enhance Social Security benefits

Create an income strategy that can help meet your income needs in retirement



The Value of Income Planning[®] process

Why is this so important? Because having a formal written retirement income plan can help you set realistic expectations of income and expenses, provide direction with actionable items to reach your goals, and may help you to feel more confident in your overall retirement security.

→ TALK TO YOUR FINANCIAL PROFESSIONAL to tailor a retirement income strategy that can help you feel prepared to start taking retirement income, weather potential risks, and draw from your retirement savings to achieve the retirement lifestyle you envisioned.

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.

Purchasing an annuity within a retirement plan that provides tax deferral under sections of the Internal Revenue Code results in no additional tax benefit. An annuity should be used to fund a qualified plan based upon the annuity's features other than tax deferral. All annuity features, risks, limitations, and costs should be considered prior to purchasing an annuity within a tax-qualified retirement plan.

All annuity contract and rider guarantees, or annuity payout rates, are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of Allianz Life Insurance Company of North America or Allianz Life Insurance Company of New York. Guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

This content is for general informational purposes only. It is not intended to provide fiduciary, tax, or legal advice and cannot be used to avoid tax penalties; nor is it intended to market, promote, or recommend any tax plan or arrangement. Allianz Life Insurance Company of North America, Allianz Life Insurance Company of New York, their affiliates, and their employees and representatives do not give legal or tax advice or advice related to Social Security. You are encouraged to consult with your own legal, tax, and financial professionals for specific advice or product recommendations or your local Social Security Administration office for your own situation.

True to our promises so you can be true to yours®

As leading providers of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) and its subsidiary, Allianz Life Insurance Company of New York (Allianz Life of NY), base each decision on a philosophy of being true: **True to our strength** as a key part of a leading global financial organization. **True to our passion** for making wise investment decisions. **True to building a culture** where everyone feels welcomed, included, and valued. And **true to the people we serve**, each and every day.

Through a line of innovative products and a network of trusted financial professionals, Allianz and Allianz Life of NY together help people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz, together with Allianz Life of NY, 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 pride ourselves on our financial strength, we're made of much more than our balance sheet. We believe in making a difference with our clients by being true to our commitments and keeping our promises. People rely on Allianz and Allianz Life of NY today and count on us for tomorrow – when they need us most.

Products are issued by:

**Allianz Life Insurance Company
of North America**

5701 Golden Hills Drive
Minneapolis, MN 55416-1297

www.allianzlife.com

In New York, products are issued by:

**Allianz Life Insurance Company
of New York**

1633 Broadway, 42nd Floor
New York, NY 10019-7585

www.allianzlife.com/new-york

Variable products are distributed by their affiliate, Allianz Life Financial Services, LLC, member FINRA, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. www.allianzlife.com

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America and Allianz Life Insurance Company of New York. Variable annuity guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

Only Allianz Life Insurance Company of New York is authorized to offer annuities and life insurance in the state of New York.

• 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