



American General
Life Companies

Cut Your Federal Tax Rate On Retirement Savings By Up to 40%

Problem:

Currently taxable products, such as bonds or certificates of deposit, require you to pay taxes on earnings each year¹... Even if you are still working and the money is earmarked for retirement.

Example:

- Married couple, Age 60, 5 yrs from retirement
- \$80,000 in household income, 25% federal tax bracket
- \$100,000 in a nonqualified 5 year currently taxable product, 3% interest rate
- Over five years, a total of \$16,000 in interest is earned
- 100% of interest earnings are taxable each year even if money isn't needed
- At a 25% federal tax rate, they'll need to write checks totaling \$4000 to the federal government
- By the time they retire, even if they're in the next lower income bracket (15%), they will have already paid taxes on their savings at the higher 25% rate while they were working

Solution:

Gain the Power of Tax Control...
An Annuity Exclusive!

Example:

- Married couple, Age 60, 5 yrs from retirement
- \$80,000 in household income, 25% federal tax bracket
- \$100,000 in a nonqualified 5 year deferred fixed annuity, 3% interest rate
- None of the interest earnings are currently taxable. Interest is only taxable once the earnings are *removed* from the contract
- Five years later, the couple retires, with total annual income of \$60,000
- If the couple doesn't use the money until retirement, and their lower annual income puts them in the next lower income bracket (15%), they'll have a 40% lower tax rate than when they were working

Help control and potentially reduce the rate at which you pay taxes on earnings from savings you've earmarked for retirement. Ask your insurance professional to recommend a fixed annuity today.

¹ Fixed annuities offer tax deferral of interest earnings during the accumulation period and are guaranteed by the issuing insurance company, whereas interest income from CDs is reportable and taxable as it is earned, but they are guaranteed by the FDIC. As with any long-term investment, annuities typically impose a schedule of preset early withdrawal charges (though a portion of the annuity may be available penalty-free each year). CDs are generally for more short-term use and have preset early withdrawal penalties on any amounts accessed prior to end of the term; a CD's withdrawal penalties renew each time the CD is renewed.

Annuities Strengthen Retirement®
INDEX. TRADITIONAL FIXED. IMMEDIATE INCOME.

Annuities issued by: **American General Life Insurance Company** (AGL), 2727-A Allen Parkway, Houston, Texas 77019. The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. AGL does not solicit business in the state of New York. Annuities and riders may vary by state and are not available in all states. American General Life Companies, www.americangeneral.com, is the marketing name for the insurance companies and affiliates comprising the domestic life operations of American International Group, Inc., including AGL. Guarantees are subject to the claims-paying ability of AGL. Withdrawals may be subject to Federal and/or State income taxes. A 10% Federal penalty tax may apply to the taxable portion if you make withdrawals or surrender your annuity before age 59½. Annuity owners should consult a tax advisor regarding their specific situation. Annuity contracts are not insured by the FDIC, The Federal Reserve Board or any similar agency. The annuity contract is not a deposit or other obligation of, nor is it guaranteed or endorsed by any bank or depository institution. © 2009. All rights reserved. AGLC103936