

The cumulative withdrawal value “savings bucket”

Allianz Life Insurance Company of North America



The Allianz MasterDex X Annuity with the optional Simple Income II Rider can be a simple solution.

Immediate income

In this hypothetical example, Jack is 70 years old and is looking for guaranteed lifetime income, beginning immediately. He has qualified money from a 401(k), and he knows he has to start taking required minimum distributions (RMDs), but does not anticipate needing much more than that amount. His granddaughter was just born and he wants to give her money for college when she graduates from high school.

Jack decides to roll over \$500,000 from his 401(k) into the MasterDex X, and he purchases the optional Simple Income II Rider. Beginning immediately, his accumulation value and simple withdrawal value are equal to \$550,000 because he receives a 10% premium bonus¹ on the premium he put into the annuity.

Because Jack is 70 years old, he is eligible to receive a maximum simple withdrawal of \$30,250, or 5.5% of his income withdrawal value, each year. Jack estimates that an annual withdrawal of \$21,000 will satisfy his RMD requirements, so he decides to take simple withdrawals for that amount. Since Jack is taking less than the maximum simple withdrawal each year, the remaining \$9,250 stays in the annuity. This amount is added to his cumulative withdrawal value “savings bucket” each year. All or part of the money in the cumulative withdrawal value is available to Jack as a free withdrawal at any time, giving him the reassurance of a source of money to draw from in case of an unexpected need.

Jack takes \$21,000 in each of the first 16 years, satisfying his RMD requirements² and allowing the remaining \$9,250 to increase the cumulative withdrawal value each year. At age 86, he decides to take the entire \$30,250 maximum simple withdrawal for that year plus the \$148,000 that he has accumulated in the cumulative withdrawal value as a lump sum to pay for his granddaughter’s college. Jack can take this lump sum of \$178,250 from his annuity without losing or reducing his guaranteed lifetime income payments. After this withdrawal, since there is no more money in his accumulation value, Jack will receive the maximum simple withdrawal amount of \$30,250 per year for the rest of his life, even though his accumulation value and simple withdrawal value have dropped to zero.

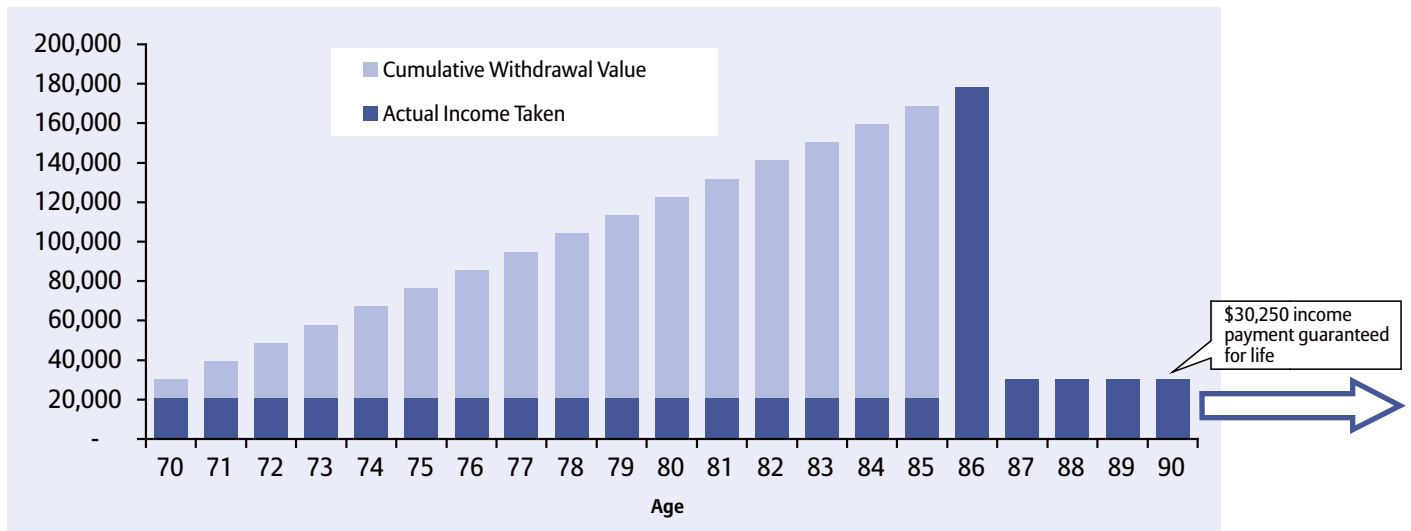
¹The bonus is subject to a 10-year vesting schedule. 10% of the bonus will become vested on each contract anniversary until the beginning of the 11th contract year, when 100% will be vested. Bonus annuities may include higher surrender charges, longer surrender charge periods, lower caps, higher spreads, or other restrictions that are not included in similar annuities that don’t offer a premium bonus feature.

²RMD is based on the entire interest value in the contract. Interest credits and life expectancy factors may cause the actual RMD to vary each year. Using 0% indexed interest in all years (the contract’s minimum guarantee) and 2008 IRS life expectancy tables, \$21,000 would be sufficient to cover the RMD requirements in all years.

See next page for illustration.

Age	End of year	Accumulation value	Simple withdrawal value	Maximum simple withdrawal	Income withdrawn at beginning of year	Cumulative withdrawal value
0	0	550,000	550,000	-	-	-
70	1	525,700	529,000	30,250	21,000	9,250
71	2	501,526	507,868	30,250	21,000	18,500
72	3	477,479	486,603	30,250	21,000	27,750
73	4	453,559	465,201	30,250	21,000	37,000
74	5	429,768	443,662	30,250	21,000	46,250
75	6	406,106	421,983	30,250	21,000	55,500
76	7	382,574	400,162	30,250	21,000	64,750
77	8	359,173	378,197	30,250	21,000	74,000
78	9	335,904	356,085	30,250	21,000	83,250
79	10	312,767	333,823	30,250	21,000	92,500
80	11	289,764	311,409	30,250	21,000	101,750
81	12	266,896	288,841	30,250	21,000	111,000
82	13	244,163	266,114	30,250	21,000	120,250
83	14	221,566	243,226	30,250	21,000	129,500
84	15	199,107	220,173	30,250	21,000	138,750
85	16	176,786	196,951	30,250	21,000	148,000
86	17	-	-	30,250	178,250	-
87	18	-	-	30,250	30,250	-
88	19	-	-	30,250	30,250	-
89	20	-	-	30,250	30,250	-
90	21	-	-	30,250	30,250	-

Note: The accumulation value in this example represents the guaranteed minimum (0% indexed interest). Values would be higher if indexed interest was earned.



The Simple Income II Rider is designed for clients who intend to take lifetime income. If you surrender the annuity contract, you will receive the contract's accumulation value, not the simple withdrawal value.

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.

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

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297.

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Must be used with Allianz MasterDex XSM Annuity consumer brochure CB52575
and Simple Income II Rider brochure CB91050

Product availability and features may vary by state.

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