

# Simple Income Option

## for your American Custom 10 fixed-indexed annuity

When you purchase the American Custom 10<sup>SM</sup> fixed-indexed annuity from Great American Life Insurance Company®, you can add the Simple Income Option<sup>SM</sup> rider to help increase your retirement income potential.

- ★ Guaranteed growth of your income base
- ★ Power to retain control over your assets while receiving income
- ★ Income you cannot outlive

To understand how this rider works, there are two amounts to keep in mind – the account value and the income base.

**Account value** – We use this value to calculate the amount that is payable upon surrender, annuitization or death. The account value equals the value of your fixed-indexed annuity, which includes purchase payments plus interest at rates determined by your strategy selections.<sup>1</sup>

**Income base** – This is the amount on which income payments under the rider will be based. We calculate the income base by taking the account value and increasing it by income credits.

### Guaranteed growth for your future

One of the benefits of the Simple Income Option is that your income base is guaranteed to grow, helping you protect your income for retirement. Your income base will **increase by 9%** of your purchase payment amount at the end of each full contract year during the **10-year income rollup period**. Additionally, before you begin taking income payments, you also have the opportunity to reset your income base to the account value, if it is greater. You may do this on any contract anniversary. If you choose to reset the income base, a new 10-year income rollup period will begin and the rider charge may increase.<sup>2</sup>

### Receive income for life

With the Simple Income Option, there are two ways you can receive income—single lifetime income and joint lifetime income. You may begin taking **income payments immediately**, as long as you meet the age requirements.

**Single lifetime income** – You can receive income payments that are guaranteed for your lifetime. You must be at least age 55 on the income start date.

**Joint lifetime income** – You can receive income payments that are guaranteed for the joint lifetimes of you and your spouse, or legally recognized domestic partner. You both must be at least age 55 on the income start date, and the younger age will be used to determine the income percentage.

### Taking your income payments

To determine the amount of your maximum annual income benefit, we multiply your income base by your income percentage. The income percentage is based on two factors: **your age** (or the ages of you and your spouse, whomever is younger) at the time of your first income payment under the rider, and the **income option** that you select (single lifetime income or joint lifetime income).

Another advantage of the Simple Income Option is that your **income percentage increases 0.10% each year** you wait to start payments until it reaches 7.5% for single lifetime income and 6.5% for joint lifetime income. Additionally, you will receive an **income percentage enhancement** if you begin receiving payments during the first five contract years. Once income payments begin, the income percentage is locked in and will not change.

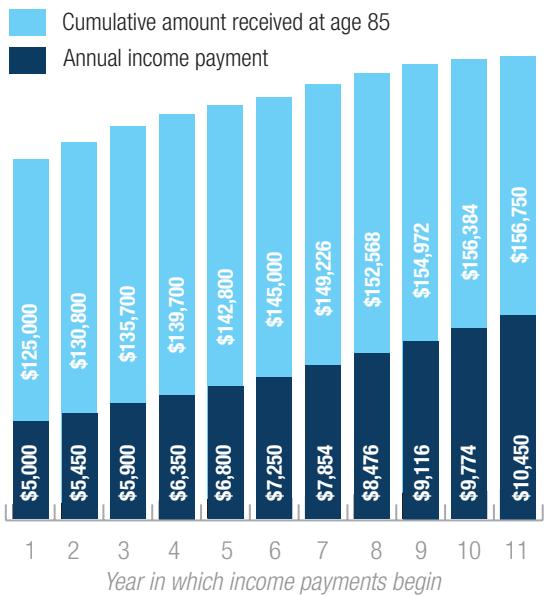
Income percentage		
Age at income start date	Single lifetime income	Joint lifetime income
55	4.0%	3.0%
60	4.5%	3.5%
65	5.0%	4.0%
70	5.5%	4.5%
75	6.0%	5.0%
80	6.5%	5.5%
85	7.0%	6.0%
90+	7.5%	6.5%

Income percentage enhancement	
Contract year of income start date	Additional percentage added to your income percentage from above table
1	0.50%
2	0.40%
3	0.30%
4	0.20%
5	0.10%

## Lifetime income payments with the Simple Income Option

The following hypothetical example shows how the Simple Income Option can provide guaranteed lifetime income. The example assumes the owner is 60 years old at the time of purchase, a \$100,000 purchase payment, single lifetime income option and no withdrawals other than income payments.

If the owner begins income payments in contract year three at age 62, the income base will have grown to \$118,000 (\$100,000 purchase payment + \$18,000 income credits) and his benefit percentage will be 5% (4.7% income percentage + 0.3% enhancement). Therefore, his annual income payment will be \$5,900 (\$118,000 income base x 5% income percentage), and his total income payments at age 85 will be \$135,700 (\$5,900 annual payment x 23 years).



## Frequently Asked Questions

**How do I purchase the Simple Income Option?** You may purchase this rider with your American Custom 10 fixed-indexed annuity contract if you are between the ages of 40-85.

**When can I begin to take income payments?** You can take income payments at any time after the rider effective date if you are at least age 55. You may forgo an income payment in any year, but that income payment may not be carried over to the next year.

In the rider contract, rollup credits and income credits are referred to as rollup amounts, and income base is referred to as benefit base amount.

This information is not intended or written to be used as legal or tax advice. It cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. It was written solely to support the sale of annuity products. You should seek advice on legal or tax questions based on your particular circumstances from an independent attorney or tax advisor.

Please note, this brochure is a general description of the product. Please read your rider for definitions and complete terms, conditions and limitations, as this is a summary of the rider's features. The American Custom 10 (P1104314NW and P1104414NW) and Simple Income Option (R6047014NW) are issued by Great American Life Insurance Company (Cincinnati, Ohio). Contract and rider form numbers may vary by state. Products and features may vary by state, and may not be available in all states. Taxable amounts withdrawn prior to age 59½ may be subject to a penalty tax in addition to ordinary income tax.

All guarantees based on the claims-paying ability of Great American Life.

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**What happens if I take a withdrawal?** Your income base will continue to accumulate income credits as long as your withdrawal does not exceed the free withdrawal allowance or required minimum distribution. Income credit in the year of the withdrawal will be reduced by the amount withdrawn. Your income base will be reduced for withdrawals taken before income payments begin and income credits will be reduced dollar for dollar. After income payments have begun, your income base will also be reduced for any withdrawals that are greater than the income payment amount. In both cases, the income base will be reduced by the same percentage that the withdrawal reduces the account value.

If you take a withdrawal that exceeds your fixed-indexed annuity contract's free withdrawal allowance, your income base will stop accumulating income credits. Income credits cannot increase the income base to more than the income rollup cap, which is equal to 250% of the income rollup base. The income rollup base is equal to the purchase payment, adjusted for certain withdrawals.

**What is the charge for the rider?** An annual rider charge of 1.05% will be taken at the end of each contract year. The charge is based on your income base and is deducted from your account value. The rider charge may increase if a reset is elected. The rider charges will be refunded at death if you have not started to receive income payments.

**Can I cancel the rider?** You may decline or cancel the rider at any time by written request.

## What happens at death?

If you die before you take income payments:

- ★ If there is no successor owner, the rider terminates.
- ★ If there is a successor owner, the rider continues.

If you die after you take income payments:

- ★ If there is no successor owner, the rider terminates.
- ★ If there is a successor owner and the single lifetime income option is in effect, the rider terminates.
- ★ If there is a successor owner and the joint lifetime income option is in effect, income payments under the rider continue.

<sup>1</sup> Account value equals purchase payment, plus interest credited, less withdrawals and applicable early withdrawal charges, plus or minus applicable market value adjustments, and minus applicable taxes, rider charges and other applicable fees. Income base equals account value on most reset date, plus subsequent income credits, less an adjustment for any subsequent excess withdrawal.

<sup>2</sup> The income rollup period may be less than 10 years under certain circumstances such as a withdrawal in excess of the contract's 5% free withdrawal allowance. The income rollup period ends when income payments start.



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