

## From A.M. Best and Standard & Poor's

American Equity's commitment to sound business principles has been recognized by **A.M. Best**, a nationally recognized industry rating authority.

A.M. Best's rating of "**B++**" (*Very Good*) for American Equity is a measure of performance in the areas of . . .

Investment Quality	Policy Reserves
Capital Adequacy	Cost Control
Management Experience	

*A.M. Best uses 15 rating categories ranging from A++ to F.*

**Standard & Poor's** rating service has recognized American Equity Investment Life Insurance Company with a "**BBB+**" rating. Standard & Poor's considers "BBB" rated companies as having **GOOD** financial security characteristics.

Plus (+) or minus (-) signs following ratings from 'AA' to 'CCC' show relative standing within the major rating categories.

*Tax Interpretations: Neither American Equity Investment Life Insurance Company nor any of its agents or representatives give tax advice. The information here is a summary of our understanding of current tax laws as they relate to this insurance product. Consult your personal tax advisor on specific points of importance to you.*

*Annuity contracts are products of the insurance industry, and are not guaranteed by any bank or insured by the FDIC.*

# How Secure are your Social Security Benefits ? from taxes!



## American Equity Investment Life Insurance Company



P.O. Box 71216  
Des Moines, IA 50325  
888-221-1234  
Fax 515-221-9947  
[www.american-equity.com](http://www.american-equity.com)



# Social Security Benefits

## Did you know...

as much as 85% of Social Security benefits could be subject to income tax?

According to the Revenue Reconciliation Act of 1993, if your earnings are above certain limits, your Social Security benefits may be taxed at a higher rate. The chart below outlines the filing status, income levels and percentage of Social Security benefits subject to tax.

Filing Status	Provisional Income Levels	
Single Taxpayer	\$25,000 - \$34,000	Over \$34,000
Married, Filing Jointly	\$32,000 - \$44,000	Over \$44,000
Soc. Sec. Ben. Subject to Tax	50%	85%

How much of your income is ultimately subject to taxes depends on how much provisional income you have. Provisional income includes not only normal earned income, such as interest from CDs or mutual funds, but also one-half of Social Security benefits received and even tax-exempt income such as **interest from tax-free municipal bonds!**

As a result, you have few opportunities to reposition your assets and control your personal tax liability!

## So what can you do?

One type of income not included in this formula is tax-deferred income. Seldom has the special benefit of tax-deferral been more important to you as a tool to minimize your tax bill.

By putting some of your assets into tax-deferred annuities and leaving the interest to compound tax-deferred, you can control your income flow to meet your own needs, without receiving unneeded dollars which only increase your tax bracket.

### With Tax-Deferred Annuities you can ...

- Earn interest without paying current taxes on it, until withdrawn.
- Earn more interest on the interest, thus compounding your asset growth, and giving you even more income potential later if you need it.
- Reduce your tax liability on your hard-earned retirement income!

### In addition, Tax-Deferred Annuities offer:

- Competitive interest rates
- No risk to premium, due to index volatility
- Multiple liquidity options, if needed

Would additional tax-deferred interest benefits reduce your taxes and increase your disposable income? Consider your options and take advantage of the opportunities annuities make available to you. Tax-deferred annuities are one of the best opportunities you have!

*Note: This information is not intended to be a detailed description of the effect of taxes on Social Security benefits. Deferred annuities contain certain restrictions and/or IRS penalties related to premature distributions. Please consult with your tax advisor to determine the actual impact on your specific situation.*