

# WHEN WOULD YOU LIKE TO

**STOP**

## *PAYING TAXES ON YOUR INTEREST*

With a Tax-Deferred Annuity, you pay no taxes on your interest until it's withdrawn. In CDs and savings accounts, your interest is taxed whether it's left to accumulate or withdrawn.








Tax-Deferral can significantly affect the growth potential of your retirement nest egg. The following table shows what pre-tax interest rate must be earned by a taxable account to equal the same tax-deferred rate of an annuity, assuming no current distribution. For example, someone in a **33%** tax bracket would have to earn **7.84%** interest in a taxable account to match the annuity's tax-deferred rate of **5.25%**.

Tax-Deferred Rate (%)	Equivalent Pre-Tax Rate Different Tax Brackets					
	10%	15%	25%	28%	33%	35%
2.25	2.50	2.65	3.00	3.13	3.36	3.46
2.50	2.78	2.94	3.33	3.47	3.73	3.85
2.75	3.06	3.24	3.67	3.82	4.10	4.23
3.00	3.33	3.53	4.00	4.17	4.48	4.62
3.25	3.61	3.82	4.33	4.51	4.85	5.00
3.50	3.89	4.12	4.67	4.86	5.22	5.38
3.75	4.17	4.41	5.00	5.21	5.60	5.77
4.00	4.44	4.71	5.33	5.56	5.97	6.15
4.25	4.72	5.00	5.67	5.90	6.34	6.54
4.50	5.00	5.29	6.00	6.25	6.72	6.92
4.75	5.28	5.59	6.33	6.60	7.09	7.31
5.00	5.56	5.88	6.67	6.94	7.46	7.69
5.25	5.83	6.18	7.00	7.29	7.84	8.08
5.50	6.11	6.47	7.33	7.64	8.21	8.46
5.75	6.39	6.76	7.67	7.99	8.58	8.85
6.00	6.67	7.06	8.00	8.33	8.96	9.23
6.25	6.94	7.35	8.33	8.68	9.33	9.62
6.50	7.22	7.65	8.67	9.03	9.70	10.00
6.75	7.50	7.94	9.00	9.38	10.07	10.38
7.00	7.78	8.24	9.33	9.72	10.45	10.77

Annuity interest is taxable when withdrawn. If withdrawn prior to age 59 1/2, the IRS may impose a 10% penalty except under specific conditions. See your tax advisor for details.

Neither American Equity Investment Life Insurance Company nor any of its agents give tax advice. The information here is a summary of our understanding of the current tax laws as they relate to insurance products. Consult with your tax advisor on specific points of importance to you.

*Benefits of*  
**AMERICAN EQUITY'S**  
*Fixed Annuities*

-  Tax Deferred
-  May Avoid Probate
-  Guaranteed Income
-  Guaranteed Minimum Interest Rate
-  No Up-Front Sales Charges or Fees
-  Penalty-free Withdrawals
-  Nursing Care (NCR-2) & Terminal Illness Riders (TIR-1)\*

*\*Available for issue ages under 75  
and may vary by state*

**AMERICAN EQUITY**  
*Investment Life Insurance Company*

5000 Westown Parkway, Suite 440  
West Des Moines, IA 50266  
(515) 221-0002 - FAX (515) 221-9947  
WATS: (888) 221-1234  
[www.american-equity.com](http://www.american-equity.com)