

New IRS regulation allows Qualified Longevity Annuity Contract (QLAC) purchases under plans and IRAs effective July 2, 2014

New regulations governing Qualified Longevity Annuity Contracts (QLACs) under the Internal Revenue Code's required minimum distribution rules (RMD) have been adopted. Effective July 2, 2014, participants with 401(a), 401(k), 403(b), governmental 457(b), or individual retirement accounts (IRAs) are allowed to purchase a deferred income annuity (DIA) and designate it to be a QLAC.

AIG is committed to be a leader in QLAC sales with our American Pathway® Deferred Income Annuity. We are pleased to announce our DIA is **now eligible** to be designated as a QLAC when purchased as a traditional IRA.

We've been preparing all along ... our DIA was thoughtfully designed with the new QLAC regulations in mind.

Check the DIA Playbook for:

- White Paper
- FAQs
- How to do Business for QLAC
- Illustrations can be requested by contacting the Internal Wholesaling team at 888-438-6933, Option 2 or email Internal.AnnuitySales@aglife.com

New regulations overview:

- DIA purchasers must select QLAC on their application and submit a signed QLAC Election Form at the time of purchase if they want their DIA to be a QLAC. Otherwise it will be considered to be a non-QLAC DIA and will follow the standard qualified/IRA rules.
- Premiums are limited to the lesser of \$125,000 (lifetime) or 25% of the individual's aggregated traditional IRA account values as of the prior December 31, less previous IRA QLAC premium.
- QLAC values will be excluded from RMD calculations.
- Income payments must begin no later than the first day of the month following the month of the contract owner's 85th birthday.
- Payment types can be single or joint life, either life only or life with cash refund.
- Pre-commencement death benefits can either be return of premium (ROP) or no death benefit. ROP plus interest is not permitted.
- Annual payment increase options can be selected, including: CPI-U Index, 1%-5% simple, compounded or flat dollar.
- Variable and indexed annuities, or similar contracts, cannot be used as a QLAC.

Please contact your assigned wholesaling team for additional information.

View DIA Playbook at www.agplaybook.com/dia.

Annuities issued by American General Life Insurance Company (AGL).
Guarantees are backed by the claims-paying ability of American General Life Insurance Company.
Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG).
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May not be available in all states and product features may vary by state.

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