



**Non-Qualified Stretch Distributions**  
**Report**  
**for**  
**Mr. John McClint III**

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# Non-Qualified Stretch Distributions

This illustration will show you how to Stretch out Non-Qualified Distributions. A Variable Annuity is a long-term, tax-deferred investment designed to provide supplemental retirement income. If you reach retirement and find that you don't need to use the variable annuity for income, you might consider leaving your non-qualified annuity assets to your beneficiaries in the form of a death benefit. The calculations below show you a model of the Owner taking RMDs until they reach their life expectancy, then a rollover to their Spouse. Finally, when the Spouse reaches their life expectancy, the account is split among the contingent beneficiaries and then the RMDs continue using the beneficiary's life expectancy. The overall effect is to "stretch" the required distributions for as long as possible, increasing the total payout from the account.

## Assumptions

|                                   |                           |
|-----------------------------------|---------------------------|
| Owner's Birthdate:                | January 1, 1952           |
| Owner's Age Today:                | 58.8 yrs.                 |
| Owner's Age By End of This Year:  | 58 yrs.                   |
| Owner's Age 70½ Year:             | 2022                      |
| Spouse's Birthdate:               | January 1, 1955           |
| Spouse's Age By End of This Year: | 55 yrs.                   |
| Age Difference:                   | +3 Yrs., 0 Months, 0 Days |
| Initial Table Used:               | Uniform Life              |

A non-qualified annuity is an annuity contract that is purchased with after-tax dollars and is not associated with a retirement program that receives special tax treatment, such as an IRA or 401(k). This calculator illustrates the following with respect to a non-qualified annuity-

1. Owner and surviving spouse (if applicable) contributions, distributions, and account balances, and
2. Death benefit payout options for beneficiaries.

The illustration is based upon these assumptions:

- Current income tax laws apply and that these laws will remain unchanged during the entire time period covered,
- The owner's and surviving spouse's (if applicable) estate have enough liquidity outside this annuity to pay estate taxes if due,
- No adjustment for inflation,
- A fixed rate of return is earned over the period covered,
- The gross rate of return entered for this illustration was 3%, and the net fixed rate of return used in this illustration is 0.89%,
- No beneficiary designation changes or other factors, such as market fluctuations that would affect the amount the beneficiaries would receive, and
- The annuity does not qualify as an Individual Retirement Annuity or Account (IRA) and is not owned by a Qualified Plan.



# Non-Qualified Stretch Distributions

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### 5 % Growth

- I. Owner and Surviving Spouse (if applicable) Contributions, Distributions and Account Balances
- II. Death Benefit Payout Options for Beneficiaries
  - A. Lump Sum Distribution
  - B. 5 Year Payout
  - C. Scheduled Withdrawals Over Beneficiary's Life Expectancy

# Non-Qualified Stretch Distributions

0% Growth

- I. Owner and Surviving Spouse (if applicable) Contributions, Distributions and Account Balances  
(If spouse information was provided; it is assumed that the surviving spouse continues the contract.)

| Year | Contract Owner's Age | Spouse's Age | Contributions (BOY) | Distributions (Year End) | Taxable Income | Remaining Cost Basis | Account Balance (EOY) | Total Distributions |
|------|----------------------|--------------|---------------------|--------------------------|----------------|----------------------|-----------------------|---------------------|
| 2010 | 58                   | 55           | \$0                 | \$0                      | \$0            | \$100,000            | \$97,850              | \$0                 |
| 2011 | 59                   | 56           | \$10,000            | \$0                      | \$0            | \$110,000            | \$105,534             | \$0                 |
| 2012 | 60                   | 57           | \$0                 | \$0                      | \$0            | \$110,000            | \$103,268             | \$0                 |
| 2013 | 61                   | 58           | \$0                 | \$0                      | \$0            | \$110,000            | \$101,049             | \$0                 |
| 2014 | 62                   | 59           | \$0                 | \$0                      | \$0            | \$110,000            | \$98,877              | \$0                 |
| 2015 | 63                   | 60           | \$0                 | \$0                      | \$0            | \$110,000            | \$96,750              | \$0                 |
| 2016 | 64                   | 61           | \$0                 | \$0                      | \$0            | \$110,000            | \$94,669              | \$0                 |
| 2017 | 65                   | 62           | \$0                 | \$0                      | \$0            | \$110,000            | \$92,631              | \$0                 |
| 2018 | 66                   | 63           | \$0                 | \$0                      | \$0            | \$110,000            | \$90,637              | \$0                 |
| 2019 | 67                   | 64           | \$0                 | \$0                      | \$0            | \$110,000            | \$88,684              | \$0                 |
| 2020 | 68                   | 65           | \$0                 | \$0                      | \$0            | \$110,000            | \$86,773              | \$0                 |
| 2021 | 69                   | 66           | \$0                 | \$0                      | \$0            | \$110,000            | \$84,902              | \$0                 |
| 2022 | 70                   | 67           | \$0                 | \$0                      | \$0            | \$110,000            | \$83,071              | \$0                 |
| 2023 | 71                   | 68           | \$0                 | \$0                      | \$0            | \$110,000            | \$81,278              | \$0                 |
| 2024 | 72                   | 69           | \$0                 | \$0                      | \$0            | \$110,000            | \$79,523              | \$0                 |
| 2025 | 73                   | 70           | \$0                 | \$0                      | \$0            | \$110,000            | \$77,805              | \$0                 |
| 2026 | 74                   | 71           | \$0                 | \$0                      | \$0            | \$110,000            | \$76,123              | \$0                 |
| 2027 | 75                   | 72           | \$0                 | \$0                      | \$0            | \$110,000            | \$74,477              | \$0                 |
| 2028 | 76                   | 73           | \$0                 | \$0                      | \$0            | \$110,000            | \$72,866              | \$0                 |
| 2029 | 77                   | 74           | \$0                 | \$0                      | \$0            | \$110,000            | \$71,288              | \$0                 |
| 2030 | 78                   | 75           | \$0                 | \$0                      | \$0            | \$110,000            | \$69,744              | \$0                 |
| 2031 | 79                   | 76           | \$0                 | \$0                      | \$0            | \$110,000            | \$68,232              | \$0                 |
| 2032 | 80                   | 77           | \$0                 | \$0                      | \$0            | \$110,000            | \$66,753              | \$0                 |
| 2033 | 81                   | 78           | \$0                 | \$0                      | \$0            | \$110,000            | \$65,304              | \$0                 |
| 2034 | 82                   | 79           | \$0                 | \$0                      | \$0            | \$110,000            | \$63,886              | \$0                 |
| 2035 | 83                   | 80           | \$0                 | \$0                      | \$0            | \$110,000            | \$62,498              | \$0                 |
| 2036 | 84                   | 81           | \$0                 | \$0                      | \$0            | \$110,000            | \$61,140              | \$0                 |
| 2037 | 85                   | 82           | \$0                 | \$0                      | \$0            | \$110,000            | \$59,810              | \$0                 |
| 2038 | -                    | 83           | \$0                 | \$0                      | \$0            | \$110,000            | \$58,508              | \$0                 |
| 2039 | -                    | 84           | \$0                 | \$0                      | \$0            | \$110,000            | \$57,233              | \$0                 |
| 2040 | -                    | 85           | \$0                 | \$0                      | \$0            | \$110,000            | \$55,985              | \$0                 |
| 2041 | -                    | 86           | \$0                 | \$0                      | \$0            | \$110,000            | \$54,764              | \$0                 |
| 2042 | -                    | 87           | \$0                 | \$0                      | \$0            | \$110,000            | \$53,569              | \$0                 |
| 2043 | -                    | 88           | \$0                 | \$0                      | \$0            | \$110,000            | \$52,398              | \$0                 |
| 2044 | -                    | 89           | \$0                 | \$0                      | \$0            | \$110,000            | \$51,253              | \$0                 |
| 2045 | -                    | 90           | \$0                 | \$0                      | \$0            | \$110,000            | \$50,131              | \$0                 |
| 2046 | -                    | 91           | \$0                 | \$0                      | \$0            | \$110,000            | \$49,034              | \$0                 |

# Non-Qualified Stretch Distributions

|           |  |
|-----------|--|
| RED ROW:  | Estimated year of death of Account Owner based on Single Life Expectancy (SLE) table and Owner's current age.                                |
| BLUE ROW: | Estimated year of death of Sole Beneficiary Spouse based on Single Life Expectancy table assuming Owner predeceases Sole Beneficiary Spouse. |

## II. Death Benefit Payout Options for Beneficiaries

After the death of the Owner and Sole Beneficiary Spouse (if applicable) each beneficiary may choose.

### A. LUMP SUM DISTRIBUTION

| John Myson<br>(Inherited \$24,517) |                |            |                       |
|------------------------------------|----------------|------------|-----------------------|
| Growth Rate                        | Taxable Income | Cost Basis | Lump Sum Distribution |
| 0%                                 | \$0            | \$55,000   | \$24,517              |

| Jane Mydaughter<br>(Inherited \$24,517) |                |            |                       |
|---|----------------|------------|-----------------------|
| Growth Rate                             | Taxable Income | Cost Basis | Lump Sum Distribution |
| 0%                                      | \$0            | \$55,000   | \$24,517              |

### B. DEplete THE CONTRACT WITHIN 5 YEARS

Under this payout option, beneficiaries may take distributions in any manner, as long as the contract is depleted within 5 years. The following table illustrates one way to spread distributions over the 5 year period. It is, however, not the only payment schedule available to beneficiaries under this option.

| John Myson<br>(Inherited \$24,517) |               |                |                      |                            |                     |
|------------------------------------|---------------|----------------|----------------------|----------------------------|---------------------|
| Year                               | Distribution* | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions |
| 2047                               | \$4,903       | \$0            | \$50,097             | \$19,096                   | \$4,903             |
| 2048                               | \$4,774       | \$0            | \$45,323             | \$13,919                   | \$9,677             |
| 2049                               | \$4,640       | \$0            | \$40,683             | \$8,986                    | \$14,317            |
| 2050                               | \$4,493       | \$0            | \$36,190             | \$4,303                    | \$18,810            |
| 2051                               | \$4,212       | \$0            | \$31,978             | \$0                        | \$23,022            |

| Jane Mydaughter<br>(Inherited \$24,517) |               |                |                      |                            |                     |
|---|---------------|----------------|----------------------|----------------------------|---------------------|
| Year                                    | Distribution* | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions |
| 2047                                    | \$4,903       | \$0            | \$50,097             | \$19,096                   | \$4,903             |
| 2048                                    | \$4,774       | \$0            | \$45,323             | \$13,919                   | \$9,677             |
| 2049                                    | \$4,640       | \$0            | \$40,683             | \$8,986                    | \$14,317            |
| 2050                                    | \$4,493       | \$0            | \$36,190             | \$4,303                    | \$18,810            |
| 2051                                    | \$4,212       | \$0            | \$31,978             | \$0                        | \$23,022            |

# Non-Qualified Stretch Distributions

\* Year 1 - 1/5th Account Balance (Year End): Year 2 - 1/4th Account Balance: Year 3 - 1/3rd Account Balance, etc.

## C. SCHEDULED WITHDRAWALS OVER THE BENEFICIARY'S LIFE EXPECTANCY

This option gives beneficiaries the ability to take just a minimum required distribution each year, and will allow the remainder in the contract to continue to grow tax-deferred. Under this payout option, the beneficiaries must take a minimum distribution each year. However, they also have the ability to take additional distributions at any time; and may even deplete the contract sooner than what is illustrated. This illustration shows scheduled withdrawals over life expectancies and assumes that beneficiaries take only the required minimum distributions. It does not illustrate any discretionary additional distributions that the beneficiary may take and consequently may not match actual results. Additionally, the illustration does not reflect possible changes to federal tax laws, which may have significant impact on the illustration.

| John Myson<br>(Inherited \$24,517) |     |      |                      |                |                      |                            |  |
|------------------------------------|-----|------|----------------------|----------------|----------------------|----------------------------|--|
| Year                               | Age | SLE  | Minimum Distribution | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions for this Beneficiary |
| 2047                               | 67  | 19.4 | \$1,264              | \$0            | \$53,736             | \$22,735                   | \$1,264                                  |
| 2048                               | 68  | 18.4 | \$1,236              | \$0            | \$52,500             | \$21,020                   | \$2,500                                  |
| 2049                               | 69  | 17.4 | \$1,208              | \$0            | \$51,292             | \$19,368                   | \$3,708                                  |
| 2050                               | 70  | 16.4 | \$1,181              | \$0            | \$50,111             | \$17,779                   | \$4,889                                  |
| 2051                               | 71  | 15.4 | \$1,154              | \$0            | \$48,957             | \$16,249                   | \$6,043                                  |
| 2052                               | 72  | 14.4 | \$1,128              | \$0            | \$47,829             | \$14,779                   | \$7,171                                  |
| 2053                               | 73  | 13.4 | \$1,103              | \$0            | \$46,726             | \$13,364                   | \$8,274                                  |
| 2054                               | 74  | 12.4 | \$1,078              | \$0            | \$45,648             | \$12,004                   | \$9,352                                  |
| 2055                               | 75  | 11.4 | \$1,053              | \$0            | \$44,595             | \$10,697                   | \$10,405                                 |
| 2056                               | 76  | 10.4 | \$1,029              | \$0            | \$43,566             | \$9,443                    | \$11,434                                 |
| 2057                               | 77  | 9.4  | \$1,005              | \$0            | \$42,561             | \$8,239                    | \$12,439                                 |
| 2058                               | 78  | 8.4  | \$981                | \$0            | \$41,580             | \$7,084                    | \$13,420                                 |
| 2059                               | 79  | 7.4  | \$957                | \$0            | \$40,623             | \$5,977                    | \$14,377                                 |
| 2060                               | 80  | 6.4  | \$934                | \$0            | \$39,689             | \$4,917                    | \$15,311                                 |
| 2061                               | 81  | 5.4  | \$911                | \$0            | \$38,778             | \$3,902                    | \$16,222                                 |
| 2062                               | 82  | 4.4  | \$887                | \$0            | \$37,891             | \$2,933                    | \$17,109                                 |
| 2063                               | 83  | 3.4  | \$863                | \$0            | \$37,028             | \$2,008                    | \$17,972                                 |
| 2064                               | 84  | 2.4  | \$837                | \$0            | \$36,191             | \$1,129                    | \$18,809                                 |
| 2065                               | 85  | 1.4  | \$806                | \$0            | \$35,385             | \$299                      | \$19,615                                 |
| 2066                               | 86  | 0.4  | \$293                | \$0            | \$35,092             | \$0                        | \$19,908                                 |

| Jane Mydaughter<br>(Inherited \$24,517) |     |      |                      |                |                      |                            |  |
|---|-----|------|----------------------|----------------|----------------------|----------------------------|--|
| Year                                    | Age | SLE  | Minimum Distribution | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions for this Beneficiary |
| 2047                                    | 67  | 19.4 | \$1,264              | \$0            | \$53,736             | \$22,735                   | \$1,264                                  |
| 2048                                    | 68  | 18.4 | \$1,236              | \$0            | \$52,500             | \$21,020                   | \$2,500                                  |

# Non-Qualified Stretch Distributions

| Jane Mydaughter<br>(Inherited \$24,517) |     |      |                      |                |                      |                            |  |
|---|-----|------|----------------------|----------------|----------------------|----------------------------|--|
| Year                                    | Age | SLE  | Minimum Distribution | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions for this Beneficiary |
| 2049                                    | 69  | 17.4 | \$1,208              | \$0            | \$51,292             | \$19,368                   | \$3,708                                  |
| 2050                                    | 70  | 16.4 | \$1,181              | \$0            | \$50,111             | \$17,779                   | \$4,889                                  |
| 2051                                    | 71  | 15.4 | \$1,154              | \$0            | \$48,957             | \$16,249                   | \$6,043                                  |
| 2052                                    | 72  | 14.4 | \$1,128              | \$0            | \$47,829             | \$14,779                   | \$7,171                                  |
| 2053                                    | 73  | 13.4 | \$1,103              | \$0            | \$46,726             | \$13,364                   | \$8,274                                  |
| 2054                                    | 74  | 12.4 | \$1,078              | \$0            | \$45,648             | \$12,004                   | \$9,352                                  |
| 2055                                    | 75  | 11.4 | \$1,053              | \$0            | \$44,595             | \$10,697                   | \$10,405                                 |
| 2056                                    | 76  | 10.4 | \$1,029              | \$0            | \$43,566             | \$9,443                    | \$11,434                                 |
| 2057                                    | 77  | 9.4  | \$1,005              | \$0            | \$42,561             | \$8,239                    | \$12,439                                 |
| 2058                                    | 78  | 8.4  | \$981                | \$0            | \$41,580             | \$7,084                    | \$13,420                                 |
| 2059                                    | 79  | 7.4  | \$957                | \$0            | \$40,623             | \$5,977                    | \$14,377                                 |
| 2060                                    | 80  | 6.4  | \$934                | \$0            | \$39,689             | \$4,917                    | \$15,311                                 |
| 2061                                    | 81  | 5.4  | \$911                | \$0            | \$38,778             | \$3,902                    | \$16,222                                 |
| 2062                                    | 82  | 4.4  | \$887                | \$0            | \$37,891             | \$2,933                    | \$17,109                                 |
| 2063                                    | 83  | 3.4  | \$863                | \$0            | \$37,028             | \$2,008                    | \$17,972                                 |
| 2064                                    | 84  | 2.4  | \$837                | \$0            | \$36,191             | \$1,129                    | \$18,809                                 |
| 2065                                    | 85  | 1.4  | \$806                | \$0            | \$35,385             | \$299                      | \$19,615                                 |
| 2066                                    | 86  | 0.4  | \$293                | \$0            | \$35,092             | \$0                        | \$19,908                                 |

Initial Account Value: \$100,000

Total Distributions during the Owner's, Sole Beneficiary Spouse's  
and Contingent Beneficiaries' Lifetimes: \$39,815



# Non-Qualified Stretch Distributions

5% Growth

- I. Owner and Surviving Spouse (if applicable) Contributions, Distributions and Account Balances  
(If spouse information was provided; it is assumed that the surviving spouse continues the contract.)

| Year | Contract Owner's Age | Spouse's Age | Contributions (BOY) | Distributions (Year End) | Taxable Income | Remaining Cost Basis | Account Balance (EOY) | Total Distributions |
|------|----------------------|--------------|---------------------|--------------------------|----------------|----------------------|-----------------------|---------------------|
| 2010 | 58                   | 55           | \$0                 | \$0                      | \$0            | \$100,000            | \$102,850             | \$0                 |
| 2011 | 59                   | 56           | \$10,000            | \$0                      | \$0            | \$110,000            | \$116,071             | \$0                 |
| 2012 | 60                   | 57           | \$0                 | \$0                      | \$0            | \$110,000            | \$119,386             | \$0                 |
| 2013 | 61                   | 58           | \$0                 | \$0                      | \$0            | \$110,000            | \$122,796             | \$0                 |
| 2014 | 62                   | 59           | \$0                 | \$0                      | \$0            | \$110,000            | \$126,305             | \$0                 |
| 2015 | 63                   | 60           | \$0                 | \$0                      | \$0            | \$110,000            | \$129,915             | \$0                 |
| 2016 | 64                   | 61           | \$0                 | \$0                      | \$0            | \$110,000            | \$133,630             | \$0                 |
| 2017 | 65                   | 62           | \$0                 | \$0                      | \$0            | \$110,000            | \$137,452             | \$0                 |
| 2018 | 66                   | 63           | \$0                 | \$0                      | \$0            | \$110,000            | \$141,384             | \$0                 |
| 2019 | 67                   | 64           | \$0                 | \$0                      | \$0            | \$110,000            | \$145,430             | \$0                 |
| 2020 | 68                   | 65           | \$0                 | \$0                      | \$0            | \$110,000            | \$149,593             | \$0                 |
| 2021 | 69                   | 66           | \$0                 | \$0                      | \$0            | \$110,000            | \$153,876             | \$0                 |
| 2022 | 70                   | 67           | \$0                 | \$0                      | \$0            | \$110,000            | \$158,283             | \$0                 |
| 2023 | 71                   | 68           | \$0                 | \$0                      | \$0            | \$110,000            | \$162,817             | \$0                 |
| 2024 | 72                   | 69           | \$0                 | \$0                      | \$0            | \$110,000            | \$167,483             | \$0                 |
| 2025 | 73                   | 70           | \$0                 | \$0                      | \$0            | \$110,000            | \$172,283             | \$0                 |
| 2026 | 74                   | 71           | \$0                 | \$0                      | \$0            | \$110,000            | \$177,222             | \$0                 |
| 2027 | 75                   | 72           | \$0                 | \$0                      | \$0            | \$110,000            | \$182,304             | \$0                 |
| 2028 | 76                   | 73           | \$0                 | \$0                      | \$0            | \$110,000            | \$187,532             | \$0                 |
| 2029 | 77                   | 74           | \$0                 | \$0                      | \$0            | \$110,000            | \$192,912             | \$0                 |
| 2030 | 78                   | 75           | \$0                 | \$0                      | \$0            | \$110,000            | \$198,447             | \$0                 |
| 2031 | 79                   | 76           | \$0                 | \$0                      | \$0            | \$110,000            | \$204,142             | \$0                 |
| 2032 | 80                   | 77           | \$0                 | \$0                      | \$0            | \$110,000            | \$210,002             | \$0                 |
| 2033 | 81                   | 78           | \$0                 | \$0                      | \$0            | \$110,000            | \$216,031             | \$0                 |
| 2034 | 82                   | 79           | \$0                 | \$0                      | \$0            | \$110,000            | \$222,234             | \$0                 |
| 2035 | 83                   | 80           | \$0                 | \$0                      | \$0            | \$110,000            | \$228,617             | \$0                 |
| 2036 | 84                   | 81           | \$0                 | \$0                      | \$0            | \$110,000            | \$235,184             | \$0                 |
| 2037 | 85                   | 82           | \$0                 | \$0                      | \$0            | \$110,000            | \$241,941             | \$0                 |
| 2038 | -                    | 83           | \$0                 | \$0                      | \$0            | \$110,000            | \$248,893             | \$0                 |
| 2039 | -                    | 84           | \$0                 | \$0                      | \$0            | \$110,000            | \$256,046             | \$0                 |
| 2040 | -                    | 85           | \$0                 | \$0                      | \$0            | \$110,000            | \$263,406             | \$0                 |
| 2041 | -                    | 86           | \$0                 | \$0                      | \$0            | \$110,000            | \$270,978             | \$0                 |
| 2042 | -                    | 87           | \$0                 | \$0                      | \$0            | \$110,000            | \$278,769             | \$0                 |
| 2043 | -                    | 88           | \$0                 | \$0                      | \$0            | \$110,000            | \$286,786             | \$0                 |
| 2044 | -                    | 89           | \$0                 | \$0                      | \$0            | \$110,000            | \$295,034             | \$0                 |
| 2045 | -                    | 90           | \$0                 | \$0                      | \$0            | \$110,000            | \$303,520             | \$0                 |
| 2046 | -                    | 91           | \$0                 | \$0                      | \$0            | \$110,000            | \$312,252             | \$0                 |



# Non-Qualified Stretch Distributions

|           |  |
|-----------|--|
| RED ROW:  | Estimated year of death of Account Owner based on Single Life Expectancy (SLE) table and Owner's current age.                                |
| BLUE ROW: | Estimated year of death of Sole Beneficiary Spouse based on Single Life Expectancy table assuming Owner predeceases Sole Beneficiary Spouse. |

## II. Death Benefit Payout Options for Beneficiaries

After the death of the Owner and Sole Beneficiary Spouse (if applicable) each beneficiary may choose.

### A. LUMP SUM DISTRIBUTION

| John Myson<br>(Inherited \$156,126) |                |            |                       |
|-------------------------------------|----------------|------------|-----------------------|
| Growth Rate                         | Taxable Income | Cost Basis | Lump Sum Distribution |
| 5%                                  | \$101,126      | \$55,000   | \$156,126             |

| Jane Mydaughter<br>(Inherited \$156,126) |                |            |                       |
|--|----------------|------------|-----------------------|
| Growth Rate                              | Taxable Income | Cost Basis | Lump Sum Distribution |
| 5%                                       | \$101,126      | \$55,000   | \$156,126             |

### B. DEplete THE CONTRACT WITHIN 5 YEARS

Under this payout option, beneficiaries may take distributions in any manner, as long as the contract is depleted within 5 years. The following table illustrates one way to spread distributions over the 5 year period. It is, however, not the only payment schedule available to beneficiaries under this option.

| John Myson<br>(Inherited \$156,126) |               |                |                      |                            |                     |
|-------------------------------------|---------------|----------------|----------------------|----------------------------|---------------------|
| Year                                | Distribution* | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions |
| 2047                                | \$31,225      | \$31,225       | \$55,000             | \$129,413                  | \$31,225            |
| 2048                                | \$32,353      | \$32,353       | \$55,000             | \$100,800                  | \$63,578            |
| 2049                                | \$33,600      | \$33,600       | \$55,000             | \$70,113                   | \$97,178            |
| 2050                                | \$35,056      | \$17,139       | \$37,083             | \$37,083                   | \$132,235           |
| 2051                                | \$38,154      | \$1,072        | \$0                  | \$0                        | \$170,389           |

| Jane Mydaughter<br>(Inherited \$156,126) |               |                |                      |                            |                     |
|--|---------------|----------------|----------------------|----------------------------|---------------------|
| Year                                     | Distribution* | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions |
| 2047                                     | \$31,225      | \$31,225       | \$55,000             | \$129,413                  | \$31,225            |
| 2048                                     | \$32,353      | \$32,353       | \$55,000             | \$100,800                  | \$63,578            |
| 2049                                     | \$33,600      | \$33,600       | \$55,000             | \$70,113                   | \$97,178            |
| 2050                                     | \$35,056      | \$17,139       | \$37,083             | \$37,083                   | \$132,235           |
| 2051                                     | \$38,154      | \$1,072        | \$0                  | \$0                        | \$170,389           |

# Non-Qualified Stretch Distributions

\* Year 1 - 1/5th Account Balance (Year End): Year 2 - 1/4th Account Balance: Year 3 - 1/3rd Account Balance, etc.

## C. SCHEDULED WITHDRAWALS OVER THE BENEFICIARY'S LIFE EXPECTANCY

This option gives beneficiaries the ability to take just a minimum required distribution each year, and will allow the remainder in the contract to continue to grow tax-deferred. Under this payout option, the beneficiaries must take a minimum distribution each year. However, they also have the ability to take additional distributions at any time; and may even deplete the contract sooner than what is illustrated. This illustration shows scheduled withdrawals over life expectancies and assumes that beneficiaries take only the required minimum distributions. It does not illustrate any discretionary additional distributions that the beneficiary may take and consequently may not match actual results. Additionally, the illustration does not reflect possible changes to federal tax laws, which may have significant impact on the illustration.

| John Myson<br>(Inherited \$156,126) |     |      |                      |                |                      |                            |  |
|-------------------------------------|-----|------|----------------------|----------------|----------------------|----------------------------|--|
| Year                                | Age | SLE  | Minimum Distribution | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions for this Beneficiary |
| 2047                                | 67  | 19.4 | \$8,048              | \$8,048        | \$55,000             | \$152,590                  | \$8,048                                  |
| 2048                                | 68  | 18.4 | \$8,293              | \$8,293        | \$55,000             | \$148,707                  | \$16,341                                 |
| 2049                                | 69  | 17.4 | \$8,546              | \$8,546        | \$55,000             | \$144,459                  | \$24,887                                 |
| 2050                                | 70  | 16.4 | \$8,808              | \$8,808        | \$55,000             | \$139,825                  | \$33,695                                 |
| 2051                                | 71  | 15.4 | \$9,080              | \$9,080        | \$55,000             | \$134,786                  | \$42,775                                 |
| 2052                                | 72  | 14.4 | \$9,360              | \$9,360        | \$55,000             | \$129,322                  | \$52,135                                 |
| 2053                                | 73  | 13.4 | \$9,651              | \$9,651        | \$55,000             | \$123,408                  | \$61,786                                 |
| 2054                                | 74  | 12.4 | \$9,952              | \$9,952        | \$55,000             | \$117,023                  | \$71,738                                 |
| 2055                                | 75  | 11.4 | \$10,265             | \$10,265       | \$55,000             | \$110,140                  | \$82,003                                 |
| 2056                                | 76  | 10.4 | \$10,590             | \$10,590       | \$55,000             | \$102,733                  | \$92,593                                 |
| 2057                                | 77  | 9.4  | \$10,929             | \$10,929       | \$55,000             | \$94,773                   | \$103,522                                |
| 2058                                | 78  | 8.4  | \$11,282             | \$11,282       | \$55,000             | \$86,230                   | \$114,804                                |
| 2059                                | 79  | 7.4  | \$11,653             | \$11,653       | \$55,000             | \$77,069                   | \$126,457                                |
| 2060                                | 80  | 6.4  | \$12,042             | \$12,042       | \$55,000             | \$67,254                   | \$138,499                                |
| 2061                                | 81  | 5.4  | \$12,454             | \$12,454       | \$55,000             | \$56,743                   | \$150,953                                |
| 2062                                | 82  | 4.4  | \$12,896             | \$3,383        | \$45,487             | \$45,487                   | \$163,849                                |
| 2063                                | 83  | 3.4  | \$13,379             | \$1,315        | \$33,423             | \$33,423                   | \$177,228                                |
| 2064                                | 84  | 2.4  | \$13,926             | \$966          | \$20,463             | \$20,463                   | \$191,154                                |
| 2065                                | 85  | 1.4  | \$14,616             | \$591          | \$6,438              | \$6,438                    | \$205,770                                |
| 2066                                | 86  | 0.4  | \$6,624              | \$186          | \$0                  | \$0                        | \$212,394                                |

| Jane Mydaughter<br>(Inherited \$156,126) |     |      |                      |                |                      |                            |  |
|--|-----|------|----------------------|----------------|----------------------|----------------------------|--|
| Year                                     | Age | SLE  | Minimum Distribution | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions for this Beneficiary |
| 2047                                     | 67  | 19.4 | \$8,048              | \$8,048        | \$55,000             | \$152,590                  | \$8,048                                  |
| 2048                                     | 68  | 18.4 | \$8,293              | \$8,293        | \$55,000             | \$148,707                  | \$16,341                                 |

# Non-Qualified Stretch Distributions

| Jane Mydaughter<br>(Inherited \$156,126) |     |      |                      |                |                      |                            |  |
|--|-----|------|----------------------|----------------|----------------------|----------------------------|--|
| Year                                     | Age | SLE  | Minimum Distribution | Taxable Income | Remaining Cost Basis | Account Balance (Year End) | Total Distributions for this Beneficiary |
| 2049                                     | 69  | 17.4 | \$8,546              | \$8,546        | \$55,000             | \$144,459                  | \$24,887                                 |
| 2050                                     | 70  | 16.4 | \$8,808              | \$8,808        | \$55,000             | \$139,825                  | \$33,695                                 |
| 2051                                     | 71  | 15.4 | \$9,080              | \$9,080        | \$55,000             | \$134,786                  | \$42,775                                 |
| 2052                                     | 72  | 14.4 | \$9,360              | \$9,360        | \$55,000             | \$129,322                  | \$52,135                                 |
| 2053                                     | 73  | 13.4 | \$9,651              | \$9,651        | \$55,000             | \$123,408                  | \$61,786                                 |
| 2054                                     | 74  | 12.4 | \$9,952              | \$9,952        | \$55,000             | \$117,023                  | \$71,738                                 |
| 2055                                     | 75  | 11.4 | \$10,265             | \$10,265       | \$55,000             | \$110,140                  | \$82,003                                 |
| 2056                                     | 76  | 10.4 | \$10,590             | \$10,590       | \$55,000             | \$102,733                  | \$92,593                                 |
| 2057                                     | 77  | 9.4  | \$10,929             | \$10,929       | \$55,000             | \$94,773                   | \$103,522                                |
| 2058                                     | 78  | 8.4  | \$11,282             | \$11,282       | \$55,000             | \$86,230                   | \$114,804                                |
| 2059                                     | 79  | 7.4  | \$11,653             | \$11,653       | \$55,000             | \$77,069                   | \$126,457                                |
| 2060                                     | 80  | 6.4  | \$12,042             | \$12,042       | \$55,000             | \$67,254                   | \$138,499                                |
| 2061                                     | 81  | 5.4  | \$12,454             | \$12,454       | \$55,000             | \$56,743                   | \$150,953                                |
| 2062                                     | 82  | 4.4  | \$12,896             | \$3,383        | \$45,487             | \$45,487                   | \$163,849                                |
| 2063                                     | 83  | 3.4  | \$13,379             | \$1,315        | \$33,423             | \$33,423                   | \$177,228                                |
| 2064                                     | 84  | 2.4  | \$13,926             | \$966          | \$20,463             | \$20,463                   | \$191,154                                |
| 2065                                     | 85  | 1.4  | \$14,616             | \$591          | \$6,438              | \$6,438                    | \$205,770                                |
| 2066                                     | 86  | 0.4  | \$6,624              | \$186          | \$0                  | \$0                        | \$212,394                                |

Initial Account Value: \$100,000

Total Distributions during the Owner's, Sole Beneficiary Spouse's and Contingent Beneficiaries' Lifetimes: \$424,789

## IMPORTANT LEGAL INFORMATION:

This is an educational tool designed to provide you with feedback based on the information that you input and is not intended as investment advice. This is not a recommendation to buy or sell any particular product or security or a definitive answer to your personal financial situation. For a thorough analysis of your financial situation, please contact your financial adviser. These results are hypothetical only and do not reflect any particular financial vehicle. Some financial vehicles have charges, fees, and expenses that are not reflected in the results shown, and the impact of state and local taxes also are not included. If such costs were reflected, the amounts available for distribution would be lower.