

# FINANCIAL RATING



American Equity's commitment to sound business principles has been

recognized by A.M. Best, a nationally recognized industry rating authority.

- **Investment Quality**
- **Capital Adequacy**
- **Policy Reserves**
- **Cost Control**
- **Management Experience**

A.M. Best's rating of "A-" (Excellent) for American Equity is a measure of performance in the areas of:

A.M. Best uses 15 rating categories ranging from A++ to F. An A- rating from AM Best is its fourth highest rating. For the latest rating, access [www.ambest.com](http://www.ambest.com)

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## ARE YOUR SOCIAL SECURITY *Benefits* SECURE FROM TAXES?



*We're the One!*  
People Service Future

# 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. It even includes 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!



## What Can You Do?

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 may move you into a higher tax bracket.

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

Benefit from the effect of triple compounding. You will earn interest on your premium, interest on your interest and interest on money that would have otherwise been paid in taxes!

Reduce your tax liability on your hard-earned retirement income! Taxes do not need to be paid until money is withdrawn.

## In Addition, Tax-Deferred Annuities Also Offer:

- Competitive interest rates**
- No risk to premium due to index volatility**
- Multiple liquidity options**
- Possible avoidance of probate**

Would additional tax-deferred benefits interest you? Consider your options and take advantage of the opportunities tax-deferred annuities make available to you.

**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.