

# Core Income 7<sup>®</sup> Annuity

(R-4/2015)

<b>Product characteristics</b>	The Core Income 7 Annuity is a fixed index annuity with a benefit rider (the “Core Income Benefit”). The Core Income Benefit rider offers an increasing lifetime income withdrawal percentage beginning at age 45 and continuing every year until income withdrawals begin. Plus, there is a choice of two lifetime income payment options, including payments with the opportunity to increase.
<b>Purchase payment</b>	Initial minimum: \$10,000, qualified and nonqualified Additional premium accepted through first three contract years
<b>Issue ages</b>	0-80
<b>Core Income Benefit rider</b>	The Core Income Benefit rider is included with the Core Income 7 Annuity for an additional charge. It helps clients address both halves of retirement: accumulating retirement savings and receiving income in the form of lifetime withdrawals. It offers increasing income withdrawal percentages (beginning at age 45) until income payments begin. It also offers a choice of two income payment options, available as early as age 50: predictable payments and payments with the opportunity to increase.
<b>Increasing withdrawal percentages</b>	Beginning at age 45, the contract’s lifetime withdrawal percentages will automatically increase each year your client waits to begin lifetime income withdrawal payments. The base payment percentage is determined by the age of your client at the time they purchase the annuity. Starting at age 55 the base payout percentages at issue increase 50 bps for every five years of age. (For example, with single payout option 1, age 50 base = 3.80%, age 55 base = 4.30%, etc.)

For all that’s ahead.<sup>®</sup>



### Payout option 1

Offers predictable income payments, so your client will have the reassurance of knowing exactly how much each payment will be for the rest of their life.

Option 1 – Predictable income dependability					
Age at issue	Single payout base	Joint payout base	Annual payout percentage increase <sup>1</sup>	Single payout base after 10-year deferral	Joint payout base after 10-year deferral
54 or less	3.80%	3.30%	0.25%	6.30%	5.80%
55-59	4.30%	3.80%	0.30%	7.30%	6.80%
60-64	4.80%	4.30%	0.35%	8.30%	7.80%
65-69	5.30%	4.80%	0.40%	9.30%	8.80%
70-74	5.80%	5.30%	0.45%	10.30%	9.80%
75-79	6.30%	5.80%	0.50%	11.30%	10.80%
80	6.80%	6.30%	0.55%	12.30%	11.80%

<sup>1</sup>The annual payout percentage increase applies at age 45 and above.

### Payout option 2

Offers the potential for income payment increases based on changes in fixed or indexed interest allocations. On every contract anniversary, the previous year's income payment will be recalculated to reflect the interest rate from their chosen allocations, which means the income payment amount has the potential to increase every year.

Option 2 – Increasing income opportunity					
Age at issue	Single payout base	Joint payout base	Annual payout percentage increase <sup>1</sup>	Single payout base after 10-year deferral	Joint payout base after 10-year deferral
54 or less	3.00%	2.50%	0.25%	5.50%	5.00%
55-59	3.50%	3.00%	0.30%	6.50%	6.00%
60-64	4.00%	3.50%	0.35%	7.50%	7.00%
65-69	4.50%	4.00%	0.40%	8.50%	8.00%
70-74	5.00%	4.50%	0.45%	9.50%	9.00%
75-79	5.50%	5.00%	0.50%	10.50%	10.00%
80	6.00%	5.50%	0.55%	11.50%	11.00%

<sup>1</sup>The annual payout percentage increase applies at age 45 and above.

### Core Income Benefit rider cost

The annual cost is 1.05% of the accumulation value, deducted on a monthly basis from the accumulation value and the guaranteed minimum value (in most states). The rider charge will continue for the life of the contract even after lifetime income payments have begun.

<b>Index crediting methods/ allocation options</b>	<p><b>Annual point-to-point with cap:</b> S&amp;P® 500 Index, Nasdaq-100® Index, Russell 2000® Index, Barclays US Dynamic Balance Index II</p> <p><b>Annual point-to-point with spread:</b> Barclays US Dynamic Balance Index II</p>
<b>Surrender charges</b>	Seven-year surrender charge period (8.5%, 8.0%, 7.0%, 6.0%, 5.0%, 4.0%, 3.0%, 0%); the surrender charge percentage will decrease ½ of .5% on each of the first 12 monthiversaries. On each subsequent monthiversary, the surrender charge will decrease by ½ of 1%. On day one of contract year 8, it will be zero.
<b>Participation rate</b>	The participation rate is 100% guaranteed for the life of the contract.
<b>Rates</b>	The rates are guaranteed for one year. They are declared at issue and on each contract anniversary. The minimum annual cap is 0.25%, the maximum annual spread is 12%, and the minimum fixed interest rate is 0.10%. Call for current caps, spreads, and interest rates.
<b>Free withdrawals</b>	After the first contract year and prior to taking income, up to 10% of contract's premium paid can be withdrawn each contract year without surrender charge; maximum is cash surrender value.
<b>Loans</b>	Not available
<b>Minimum guarantee</b>	87.5% of total premium paid, less withdrawals, credited at a minimum of 1% (may vary by state)
<b>Death benefit (prior to annuitization)</b>	Your client's beneficiaries can receive the greater of the full accumulation value, cumulative withdrawal amount, net premium, or the guaranteed minimum value as a lump sum or as annuity income payments over at least 5 years.
<b>Other features</b>	<ul style="list-style-type: none"> <li>• Accumulation value available for income withdrawals (after age 50 under the Core Income Benefit) or lump-sum withdrawal (after 7-year surrender charge period)</li> <li>• Nursing Home Benefit, Flexible Annuity Option</li> <li>• Riders available for an additional cost: Flexible Withdrawal Benefit Rider. The monthly charge for this rider is 0.008333% of the accumulation value, deducted monthly from the contract's values.</li> </ul>

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

Distributions are subject to ordinary income tax and, if taken prior to age 59½, a 10% federal additional tax.

Purchasing an annuity within a retirement plan that provides tax deferral under sections of the Internal Revenue Code results in no additional tax benefit. An annuity should be used to fund a qualified plan based upon the annuity's features other than tax deferral. All annuity features, risks, limitations, and costs should be considered prior to purchasing an annuity within a tax-qualified retirement plan.

- Not FDIC insured • May lose value • No bank or credit union guarantee
- Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

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