

# Keep up with inflation – automatically

Annuities issued by  
American General Life Insurance Company (AGL) and  
The United States Life Insurance Company in the City of New York (US Life)



## CPI-U Index option — Keeping up with inflation

Don't let inflation erode your retirement lifestyle. You can arrange for your purchasing power to keep step with inflation when you select the inflation adjustment option of your American Pathway<sup>SM</sup> fixed income annuity.

Inflation adjustments are tied to the Consumer Price Index (CPI-U), enabling you to receive an inflation-indexed stream of income that is guaranteed for life.<sup>1</sup> Note on the table below how your monthly payment can never fall below its initial amount.

Year	Change in CPI-U <sup>2</sup>	Change in Monthly Payment	Resulting Monthly Payment Amount
1	—	—	\$500.00
2 <sup>3</sup>	+ 2.4%	+ 2.4%	\$512.00
3	- 3.4%	- 2.4% (floor)	\$500.00
4	+ 4.2%	+ 3.072% (offset <sup>4</sup> )	\$515.36
5	+ 3.7%	+ 3.7%	\$534.43
6	+ 6.2%	+ 6.2%	\$567.56
7	+ 12.1%	+ 12.1%	\$636.23
8	+ 6.9%	+ 6.9%	\$680.13
9	- 1.2%	- 1.2%	\$671.97
10	+ 1.9%	+ 1.9%	\$684.74

If you are concerned that the purchasing power of your fixed income annuity payments will decline due to inflation, you might want to consider selecting the inflation adjustment increase option.

Based on an initial monthly payment of \$500. Movement in the CPI-U is reflected in the second column. The third column represents the adjustments made to the monthly payments every January 1. It also illustrates how payments will not fall below the initial payment amount and excess declines are applied (offset). This table is for illustrative purposes only.

## YOUR MONEY WORKS

Keep up with inflation – automatically

Find out how our annuities provide innovative solutions for guaranteed income.

### Plan now to minimize the effects of inflation

By linking your American Pathway fixed income annuity payments to the non-seasonally adjusted Consumer Price Index (CPI-U), you can lessen concerns about the loss of purchasing power caused by inflation.

When the CPI-U moves upward, the annual adjustment will increase your payment amount (with no limitation). Conversely, when the CPI-U falls, your annual payment adjustment decreases the amount you receive – but never below the initial payment amount. Because of this guaranteed minimum payment, any negative movements in the CPI-U that are not applied to the annuity income amount will be used to offset future CPI-U increases (see Year 4 on table on the reverse side).

<sup>1</sup> Depending upon option chosen.

<sup>2</sup> Changes in CPI-U Index are for illustration purposes only and do not reflect the actual index changes for any specific time period.

<sup>3</sup> For the first annual increase paid, a prorated adjustment will be made based on the number of benefit payments made in the previous year.

<sup>4</sup> The offset calculation is applied to the previous monthly payment amount that would have been reached without a floor.

Tax-qualified contracts such as IRAs, 401(k)s, etc., are tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the treatment by the tax-qualified retirement plan itself. However, annuities do provide other features and benefits such as income options.

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Annuities issued by American General Life Insurance Company (AGL) **except in New York, where issued by** The United States Life Insurance Company in the City of New York (US Life).

Guarantees are backed by the claims-paying ability of the issuing insurance company.

Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG).

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AGLC104062 (06/2014) J93037

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