VALIC

ANNUITY

Power Index Annuity®

Single-Premium, Index-Linked Deferred Fixed Annuity Issued by The Variable Annuity Life Insurance Company

SAVING : INVESTING : PLANNING

Product Overview

Amounts

$10,000	Minimum single premium for nonqualified and tax-qualified annuities
$2,000	Minimum value to maintain policy
$1,000	Minimum random withdrawal amount
$750,000	Maximum single premium amount without prior company approval. By company practice, which is subject to change.

Ages

Issue Ages	**0-75** (nonqualified annuities and tax-qualified annuity transfers or rollovers) **0-70** (tax-qualified contributions)
Distribution Ages	Age when distribution of annuity income must begin: **Nonqualified annuities:** Age 85, unless otherwise indicated on the application. **Tax-qualified annuities and IRAs:** Distribution must generally begin by April 1 of the year after the annuitant reaches age 70½. There is an exception to this provision for IRAs where RMDs are being satisfied from another like account. Distribution can be accomplished by annuitization of the contract or by taking partial withdrawals. Roth IRAs do not have minimum distribution requirements during the owner's lifetime.

Ownership

Types of Ownership	Many ownership types are available. If an IRA annuity is issued, ownership must be single. Non-spousal joint ownership requires, after death of either owner, surviving joint owner to be treated like a beneficiary and distributions must begin according to federal tax law.

Taxes, Tax Advantages & Tax-Free Transfers

Tax Deferral	Federal income taxes are deferred until interest is withdrawn unless the owner is a non-natural owner such as a corporation. The return of principal may also be taxable on traditional IRAs.
Tax-Advantaged Income	Once the contract is annuitized, part of each annuity income payment is considered a tax-free return of principal (except traditional IRAs, where the principal may also be taxable).

Guarantees[1]

Annual Reset Interest Crediting	Interest is linked to the return of the Standard & Poor's (S&P 500®) Composite Stock Price Index (the Index), without dividends.[2] On each policy anniversary, the current S&P 500 Index value will be compared to the Index value on the previous policy anniversary. If the Index has increased over the previous anniversary, then your annuity will be credited with interest equal to 100% of the gain, up to the amount of the interest rate cap. (No additional interest is credited if the S&P 500 exceeds the cap.) If the Index has declined from the previous anniversary, your annuity will not lose value; however, no interest will be credited to your annuity for that year. [1] Based on the claims-paying ability of the insurance company. [2] "Standard & Poor's®," "S&P®," "S&P 500®," "Standard & Poor's 500" and "500" are trademarks of The McGraw-Hill Companies, Inc., and have been licensed for use by VALIC. The Power Index Annuity is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the product.
Interest Rate Cap	The interest rate cap places a maximum limit on the amount of Index growth credited to the policy each year regardless of the performance of the Index. The interest rate cap is guaranteed for the first year in the term and then declared annually and will never be set lower than the minimum cap rates set forth in the policy. See your retirement planning specialist for the current interest rate cap.
"Free Look" Guarantee	Allows a 10-day (or longer in some states) "free look" period.
Minimum Guaranteed Value	The Variable Annuity Life Insurance Company guarantees that the guaranteed minimum withdrawal value will never be less than 90% of the single premium, less prior withdrawals (not including any withdrawal charges), plus interest credited using an effective annual interest rate of 3%.
Required Minimum Distributions from IRAs	If this annuity is purchased as an IRA, The Variable Annuity Life Insurance Company will make all necessary calculations to ensure all required minimum distributions (RMD) required under federal tax law are taken correctly from this contract, unless the contract owner requests otherwise. Prior to any RMD, the company will notify the owner of distribution options.
Statements	Each annuity owner will receive an annual statement.

Taxes, Tax Advantages & Tax-Free Transfers

Tax on Withdrawals	Withdrawals are subject to taxation as ordinary income. In addition, withdrawals of interest (or any amount from traditional IRAs, where the principal may also be taxable) prior to age 59½ may be subject to a 10% federal tax penalty. The penalty may be waived for death, total disability, or if the payment is made as part of a series of substantially equal payments for a period of five years or attainment of age 59½, whichever is later.
Tax-Free Exchange	May be used for Code Section 1035 exchanges from a life insurance or endowment contract or another annuity. A 60-day rate lock applies. To maintain tax-deferred status, owner and annuitant must remain the same, and the owner cannot take receipt of the funds prior to the transfer.
Tax-Qualified Plans	Transfer or directly roll over funds from IRAs, SEPs, 401(k)s, 403(b) or 457(b) plans into IRA plans.

Permitted Free Withdrawals

Random Withdrawals	After the first policy year, one penalty-free withdrawal of up to 10% of the annuity value as of the previous anniversary is available annually through a random withdrawal. Amounts withdrawn do not earn any future indexed credits, including those that would have been credited at the end of the policy year of withdrawal. Although withdrawals within the permitted free amount are not subject to early withdrawal charges, note that withdrawals of taxable amounts are subject to income tax. The minimum random withdrawal amount is $1,000. (At least $2,000 must remain in the policy after withdrawal.)

Charges & Fees

Initial Sales Charge	None.
Annual Fee	None.
Early Withdrawal Charge Schedule	Withdrawals exceeding the permitted free amounts are subject to an early withdrawal charge. At policy issue, the owner selects either a seven- or nine-year withdrawal charge period as shown below. Comparatively, the nine-year period offers a higher interest rate cap than the seven-year period so the owner can have greater interest-earning potential.
Seven-Year Early Withdrawal Charge	Years from Policy Date 1 2 3 4 5 6 7 Thereafter Withdrawal Charge 9% 8% 7% 6% 5% 4% 3% 0% (Percentage of amount withdrawn that exceeds permitted free withdrawals)
Nine-Year Early Withdrawal Charge	Years from Policy Date 1 2 3 4 5 6 7 8 9 Thereafter Withdrawal Charge 9% 8% 7% 6% 5% 4% 3% 2% 1% 0% (Percentage of amount withdrawn that exceeds permitted free withdrawals)

Death Benefits

	The annuity value will be paid to the beneficiary upon the death of the owner before an income plan begins. Any interest credited will include interest linked to the Index only up to the date of death. After the date of death, a declared rate of interest will be credited daily to the death benefit until the death benefit is paid.
Spousal Beneficiaries	Spouse of a deceased owner may elect to receive a distribution or become the new "owner," if the spouse is the sole primary beneficiary.
Non-Spousal Beneficiaries	Upon the death of any owner, the beneficiary may receive either annuity income beginning within one year or a total distribution within five years of death. Or the beneficiary may take partial withdrawals that meet or exceed distribution requirements under federal law. The beneficiary may also take a lump-sum cash distribution.

Withdrawal Charge Waivers (not available in some states)

Extended Care	After the first policy year, early withdrawal charges will be waived if the owner is confined to a qualifying institution or extended care facility for 90 consecutive days or longer. Extended care terminates on the date any owner(s) reaches age 86.
Terminal Illness	Early withdrawal charges will be waived upon the diagnosis of a terminal illness that will result in the death of an owner within one year. Written documentation from a qualified physician is required.

VALIC has more than half a century of experience helping Americans plan for and enjoy a secure retirement. We provide real solutions for real lives by consistently offering products and services that are innovative, simple to understand and easy to use. We take a personal approach to retirement plans and programs, offering customized solutions for individual needs.

We are committed to the same unchanging standard of one-on-one service we have delivered since our founding. Our goal is to help you live retirement on your terms.

Financial solutions

Power Index Annuity can help you have confidence in your financial future

The Power Index Annuity is a long-term tax-deferred retirement product of the life insurance industry. It is not a security and does not participate in any stock or equity investment.

Retirement plans and accounts that satisfy relevant qualification rules, such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan or account with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax deferral of the tax-qualified retirement plan or account itself. However, annuities do provide other features and benefits.

The information in this brochure is general in nature and may be subject to change. Neither VALIC nor its financial advisors or other representatives give legal or tax advice. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For legal or tax advice concerning your situation, consult your attorney or professional tax advisor.

Not available in some states, and policy provisions may vary from state to state.

VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.

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