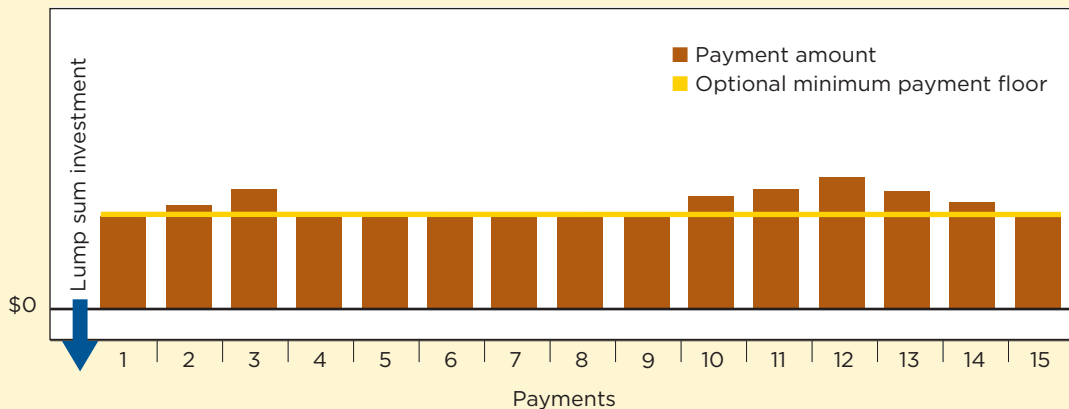


Retirement Income from Immediate Variable Annuities

Immediate Variable Annuity Payment Illustration



This is a hypothetical illustration and is not meant to represent the performance of any variable investment subaccount. It is intended to show how an optional guaranteed payment level floor rider works. Payments illustrated are not proportionate to the value of annuity units. If payments begin prior to age 59½, you may be subject to a 10% federal tax penalty.

An immediate variable annuity is a contract between you and an insurance company. You give the insurance company a lump sum in exchange for payment amounts over a set period of time or for life. Immediate variable annuity payments can fluctuate based on the performance of the underlying subaccounts, which are invested in the market. As a result, these payments have the potential to maintain your lifestyle over time, which can better position your retirement income to help cover your current and future needs.

Because your payments will fluctuate based on subaccount performance, they also have the potential to decrease. Most immediate variable annuities offer an optional payment floor, which provides protected income payments¹ that will never fall below a certain amount, such as 75% of the initial payment. This floor is typically available for an additional cost. As illustrated above, the chart demonstrates hypothetical payments from an immediate variable annuity with an optional minimum payment floor. Payments will fluctuate based on subaccount performance; however, they will never fall below the floor amount.

How Immediate Variable Annuities Work

1. You pay the insurance company a lump sum.
2. You choose an assumed interest rate (AIR) to calculate your initial payment.
3. The insurance company calculates your subsequent payments based on:
 - The amount you invest**
 - Your age and gender**
 - How long you want the payments to last**
 - Actual market performance compared to the AIR**
4. Payments can begin either immediately or within 13 months after purchase.

Features of Immediate Variable Annuities

Timely payments — You have the option to receive payments on a monthly, quarterly, semiannual or annual basis. A variety of payout options are available, including:

- **Lifetime payments**
- **Payments for a specified period**
- **A combination of both payment types**

Payments — The AIR that you choose is used to calculate your initial payment. Subsequent payments may increase or decrease depending on how market performance compares to the AIR. Most immediate variable annuities offer an optional payment floor, which won't let your payments fall below a certain amount. This floor is typically available for an additional cost.

Taxation of payments² — If the lump sum you give the insurance company is from a nonqualified (taxable) account, a portion of each payment is considered a return of principal and not subject to income tax. However, the earnings portion of each payment is taxed as ordinary income. Once you have received the original principal back in the form of payments, any future payments would consist of earnings only and could be fully taxable. If the lump sum you give the insurance company is from a qualified (tax-deferred) account, such as an IRA, the payments you receive are generally fully taxable from the start. There are no tax advantages to investing in an immediate variable annuity with qualified money.

Diversification³ — Immediate variable annuities allow you to invest in professionally managed subaccounts. These subaccounts offer varying investment objectives as well as the potential for owning diversified investments. Keep in mind that a subaccount is separate from the insurance company's general assets.

Before investing in an immediate variable annuity, consult your Edward Jones financial advisor and a qualified tax advisor regarding your specific situation.

¹ Protected income payments are backed by the claims-paying ability of the issuing insurance company.

² Edward Jones does not provide tax or legal advice. Please consult a qualified tax or legal professional regarding your particular situation.

³ Diversification does not ensure a profit or protect against loss.

Variable annuities are offered and sold by prospectus. You should consider the investment objective, risks, and charges and expenses carefully before investing. The prospectus contains this and other information. Your Edward Jones financial advisor can provide a prospectus, which should be read carefully before investing.

Edward Jones operates as an insurance producer in California, New Mexico, and Massachusetts through the following subsidiaries, respectively: Edward Jones Insurance Agency of California, L.L.C., Edward Jones Insurance Agency of New Mexico, L.L.C., and Edward Jones Insurance Agency of Massachusetts, L.L.C.

Immediate Variable Annuity Considerations

Liquidity — When you purchase an immediate variable annuity, it generally can't be altered or canceled. Payments must continue as stated in the contract until the insurance company has met all its obligations and the policy expires. This can be an important consideration if you want to leave assets to your heirs or charitable organizations.

Life Only payment option — If you choose to receive payments over your life expectancy, payments stop at your death regardless of whether you have received your entire principal back. Your beneficiaries will not receive additional payments. Because of this, we usually recommend a Life with Period Certain or Life with Refund payment option to potentially preserve a portion of your investment for your beneficiaries.

Probate — You may include the present value of any payments owed to the beneficiaries in your estate for purposes of calculating estate taxes.

Suitability — Immediate variable annuities aren't suitable for everyone. Depending on your specific situation, an immediate variable annuity may be appropriate if you:

- Need guaranteed income with the potential to help you to maintain your lifestyle over time
- Want the certainty of knowing you have a stream of income for life



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