Discover the value of an annuity

Learn more

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution
• Not insured by any federal government agency • May lose value

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

What's an annuity?

An **annuity** is a long-term, tax-deferred investment that is issued by an insurance company and purchased through a financial professional. It is designed to create a customized plan for each investor's unique needs while helping protect what matters most to them in retirement.

Annuities can:

Offer another way to save

Annuities can help you save more for retirement after you max out other tax-favored investments.

Create an income stream

Annuities can offer guaranteed lifetime income in retirement.

Provide growth potential

Annuities allow you to grow your savings tax-deferred.

Protect your loved ones

Annuities allow you to pass on assets to loved ones (beneficiaries) more easily and avoid things such as probate.

Have questions?

Our key definitions may be able to help.

Reminder: if you withdrawal from your annuity before the age of 59½, there may be a 10% early withdrawal penalty.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

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What's an annuity?

Annuities put you in control by offering:

Flexible contributions

Invest a lump sum now or add money over a period of time.

Flexible withdrawals

Take withdrawals as planned. There's an option to withdraw early, but it may come with a penalty.

Flexible to your risk tolerance

Choose the annuity that offers the right amount of potential growth or return at a comfortable level of market risk.

Please note that if you withdraw money from annuity contract or surrender it within a certain period of time after investing, the insurance company may assess a contingent deferred sales charge (CDSC).

Before deciding on an annuity, you should consider your income needs, risk tolerance and investment objectives. Your financial professional can help you decide whether annuities are a suitable investment and help you pick a annuity.

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Why choose an annuity?

When you discuss your retirement goals with your financial professional, he or she can suggest an annuity — or a combination of annuities — that may be right for your needs.

Annuities allow you to choose options for growth potential, lifetime income, guaranteed protection ' to risk tolerance, legacy planning and spousal guarantees.

Create an income stream

Annuities can help you make sure your money lasts throughout retirement. They offer a variety of lifetime income options. Some types of annuities offer guaranteed lifetime income for you and your spouse, but it may come with an additional fee.

Reminder: if you withdrawal from your annuity before the age of 59½, there may be a 10% early withdrawal penalty.

Save for retirement

Over time, annuities can help you grow your retirement savings with tax advantages.

You don't pay taxes on your earnings until you take a withdrawal, so you can enjoy compounded growth on those earnings over time.

Protect your loved ones

Annuities allow you to pass your assets to your spouse or other loved ones while avoiding the costly probate process. Most do this with a return of premium standard death benefit, where your beneficiary gets back what you put in. You also have the opportunity to purchase an optional enhanced death benefit, for an additional fee, that could increase the amount left to loved ones.

Annuities are designed to be long-term investments, so ask your financial professional about any short-term limitations you should consider.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

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WHAT IS AN ANNUITY
— Why choose an annuity

FIND THE RIGHT ANNUITY FOR YOUR NEEDS

— Types of annuities
— Immediate annuities
— Fixed annuities
— Fixed indexed annuities
— Registered index-linked annuities (RILAs)
— Variable annuities

RIDERS AND FEATURES

UNDERSTANDING YOUR INVESTMENT

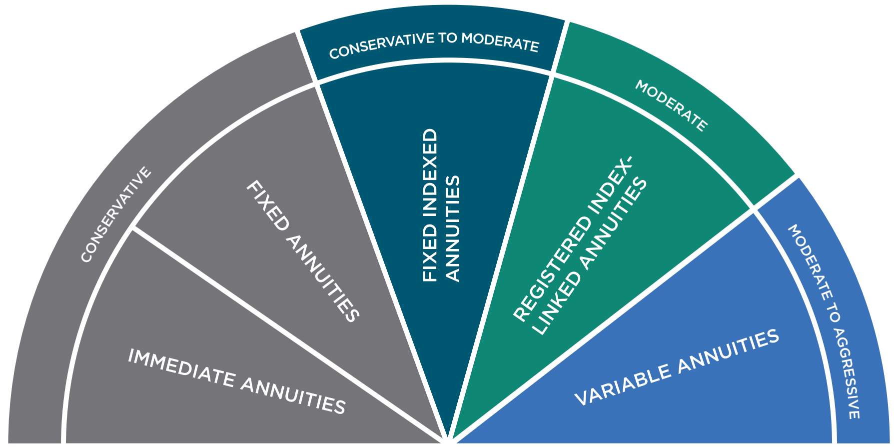
— Lower liquidity
— Tailoring to your spending needs
— Straight talk about fees

KEY DEFINITIONS

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Types of annuities



Fixed annuities
Give a guaranteed interest rate for a chosen period of time. Your principal investment and growth are guaranteed.

Immediate annuities
Convert a lump sum into an ongoing, guaranteed stream of income. Guaranteed payments begin within the first year.

Fixed indexed annuities
Offer some opportunity for growth potential based on a stock market index, such as the S&P 500®. Your level of growth won't be guaranteed, but if the market goes down, your principal is protected.

Registered index-linked annuities
Potential growth is based on the performance of a stock market index or indexes. If the market goes down, your loss is limited based on your choices. In exchange for that protection, your gains can also be limited.

Variable annuities
The account value fluctuates based on investment performance. So while you have greater opportunity for growth than with other annuity products, you also have more risk exposure.

Refer to the individual sections for more details.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company. Annuities have limitations, exclusions, charges, termination provisions and terms for keeping them in force. Consult with your professional for more information.

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Immediate annuities

Immediate annuities are designed solely to create a stream of income from your lump-sum contribution.

They're designed for someone who has access to other retirement income and wants guaranteed income for the rest of their life or for a set period of time. There are many payout options, and your financial professional can help guide you to the best option to meet your needs.

Immediate annuities offer guaranteed income:

Based on a fixed rate of return from your insurance company

Designed for the number of lives you want to cover

Spread across your lifetime or a period of your choosing

With some immediate annuities, you can take an emergency withdrawal via a liquidity feature. You can also opt for an annual cost-of-living adjustment to protect against inflation.

Take into consideration that for immediate annuities:

- You must begin taking income within the first year
- If you have enough income for retirement, or you have little retirement savings and need immediate access to cash, an immediate annuity may not be right for you
- Once you start receiving income payments, you cannot cancel the annuity

Learn more about immediate annuities.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

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Contact your financial professional to learn more.

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Fixed annuities

A fixed annuity lets you lock in a guaranteed interest rate, which can be a good choice if you're concerned about loss.

Fixed annuities can be a good choice if you're concerned about loss. You can protect what you have and still achieve moderate growth.

Fixed annuities offer protection because:

They're not invested in the stock market, so there are no ups or downs

You'll never lose your principal investment

Your interest is generally higher than other low-risk options, such money market accounts or CDs

Be sure to remember that:

- Without market participation, growth opportunity is minimal
- Fixed rates are time-limited with a chance for lower rates in future years
- Your account's interest may not keep up with inflation
- If you withdraw early, you may have to pay surrender charges

Learn more about fixed annuities.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Fixed indexed annuities

With a fixed indexed annuity, or FIA, your returns are based on the performance of an index (or indexes) such as the S&P 500®, but your principal is 100% protected from market loss.

Returns are based on the changes in a securities index such as the S&P 500® Index, a collection of 500 stocks intended to represent a broad segment of the market. As an investor, you are never directly invested in the index.

How does a FIA work?

You're not directly invested in the stock market

If the value of the index goes up, so does your return

Your earnings are locked in at the end of each term

FIAs offer the possibility of growth while protecting you from loss of your original investment

In return for protection, FIA growth is limited by:

- Any withdrawals you make and accompanying charges or taxes, if applicable
- Caps on the amount of growth you receive
- Participation rates that determine how much of an index increase you actually receive

Surrender schedules for fixed indexed annuities may be longer than for other investments. Please work with your financial professional to determine what works best for your retirement plan.

Learn more about fixed indexed annuities.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

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Registered index-linked annuities (RILAs)

Registered index-linked annuities, or RILAs, provide growth opportunity based on the performance of a stock market index or indexes. They can be a good choice if you're willing to take on market risk but also want some control over how much risk you take on.

In addition to growth potential, RILAs allow you to choose a level of protection (called a "buffer" or "floor").

There are 2 ways that RILAs protect against index losses:

1. Buffer protection — This protects against index losses up to the buffer percentage, and clients assume losses beyond that point.

2. Floor protection — This protects against index losses once they reach the floor percentage; the client assumes losses up to that point.

Consider the level of risk you can tolerate.

A buffered RILA might be a good choice if you are:

- More concerned about day-to-day market volatility than larger, less-frequent downturns
- Are able to withstand the time needed to recover from more significant losses
- Looking for greater growth potential with some downside protection

A floor RILA might be a good choice if you are:

- Concerned about larger, less-frequent market downturns rather than small, daily fluctuations
- Worried about the recovery time needed from extreme market downturns
- Willing to accept moderate growth potential

Learn more about RILAs.

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Variable annuities

A variable annuity may be a good option if you want long-term opportunity for growth in the market and are able to handle the risks that come with the market's ups and downs.

Your growth comes from subaccounts that:

Are professionally managed by leading money managers in the marketplace

Can include stocks, bonds or money market investments

Have unique levels of risk with varying possibilities for gain or loss

You may be able to exchange between sub accounts without fees or tax consequences. You can also purchase an optional rider to guarantee income for a single person or for spouses or to enhance death benefits for your beneficiaries.

What should you consider before purchasing?

- Fees may be higher when compared with investments such as mutual funds
- Subaccount performance impacts your contract value — and the amount you'll have for retirement
- Taking your money out early can trigger surrender charges

Learn more about variable annuities.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Riders and features

Riders are optional features that are available at an additional cost. They allow your financial professional to tailor your coverage and help protect what is most important to you. Keep in mind that not all riders are available on all products or in all states.

What are the various types of riders?

Death benefits They allow you to pass assets to beneficiaries while potentially avoiding the time-consuming and costly probate process. Death benefits may be used to:

- Continue payments to a designated beneficiary
- Pay for the owner's final costs (such as funeral, burial or estate planning)
- Benefit a charity or organization that has been named as a beneficiary

Generally, most annuity contracts waive surrender charges for a death benefit as well as for a terminal illness.

Some annuities offer optional death benefits that let you lock in the highest amount (annually or monthly) or a set rate of interest (typically 3% to 5%), even if you pass away when performance is down.

Spousal continuation
With spousal continuation the surviving spouse can choose to:

Continue the contract at the death benefit amount OR **to take a lump-sum distribution**

Living benefits Living benefit riders provide you (and your spouse, when elected) guaranteed income you can't outlive that:

- Can include guaranteed increases or "roll-ups" for your future income
- Offer consistent lifetime payouts that are based on the age when you begin taking income

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Learn more about the riders and features available on annuities.

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Understanding your investment

While annuities generally have higher annual fees than other investment options, they offer guarantees and death benefit protection not provided by other investment products, such as mutual funds or indexes.

The specific fees you're charged will depend on the type of product you select and the additional features or riders you add to your contract. Let's take a closer look at some common annuity fees to give you a better idea of what to expect.

Contact your financial professional to learn more.

Don't have a financial professional? Find one here.

Lower liquidity

Annuities are geared toward long-term retirement planning, and some may have surrender fees during a specified period of time (typically 7 to 10 years). If money is withdrawn after this period, no surrender fees are levied.

Longer terms fund your guarantees

Insurance companies take on risk when issuing annuities. Longer surrender periods help mitigate that risk to pay for the guarantees that come with some annuities.

Withdrawals are on a fixed schedule

If a contract is annuitized, the payments are set. That means investors are not able to withdraw any amount at any time. This is because set payments and a set schedule keep investors from outliving their income.

Tailored to your spending needs

Some annuities also offer optional benefits and riders that may allow you to customize it for your needs*. At Nationwide, we strive to create a balance between fees and offering customized protection to clients over a long time horizon.

Please remember, required minimum distributions (RMDs) must be taken from qualified plans starting as early as age 70½.

*Typically for an additional fee.

All guarantees and protections are subject to the claims paying ability of the issuing insurance company.

Straight talk about fees

Sales fees

Financial professionals get paid on annuities in 1 of 2 ways: commissions or fees. For a commission-based sale, the financial professional is paid by the insurance company based on the dollar amount invested in the contract. For a fee-based sale, the financial professional is paid a percentage of the value of the account by the annuity owner on an ongoing basis.

An annuity may have additional charges and fees (see below for the more common ones). Be sure to talk to your financial professional to understand which charges or fees apply to the product you're considering.

Administrative or contract maintenance fees

These are the costs of maintaining the policy, including accounting and record keeping.

Mortality and expense (M&E) risk charge

This fee guarantees that your cost won't change over time.

Underlying subaccount expenses

This fee is deducted from the underlying fund assets and covers management or fund costs, which differ for each fund.

Contingent deferred sales charge (CDSC)

If you cancel the annuity early, this is the fee that you'd need to pay. It helps cover expenses such as commissions, promotions and sales materials. (See "Lower liquidity" on the next page for more details.)

Add-on rider benefits

When you customize your contract by adding optional riders, there is an additional fee. These fees vary based on the benefits offered by the rider.

Additional provisions

Certain annuities and providers may have provisions and fees that are different from those stated here. A financial professional can help you understand any additional annuity fees.

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Contact your financial professional to learn more.

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Key definitions

Annuity
A contract issued by a life insurance company; it can help you accumulate assets for retirement income.

Annuitization
The period during which clients receive regular payments from their annuity; it is irrevocable once payments begin, and there is no additional cost for annuitization.

Death benefit
The benefit paid to the designated beneficiary(s) when the annuity contract's annuitant dies.

Guaranteed Lifetime Withdrawal Benefit
A type of living benefit that provides a guaranteed lifetime withdrawal based on a fixed percentage.

Living benefit
An optional feature of an annuity, usually available at an additional cost, that offers benefits you can use during your lifetime.

Premium
The collective total of the initial payment, and any subsequent payments, made to purchase an annuity, excluding earned interest.

Rate lock-ins
Annuities offer a guaranteed interest rate that is locked in for a specified period.

Rider
An option you can add to your annuity, typically at an additional cost, that provides extra features or guarantees to fit your personal situation.

Risk tolerance
The amount of risk you are willing to take on in return for a level of growth potential.

Spousal protection
This feature, which is available at no additional charge, allows the death benefit to go to the surviving spouse, no matter which spouse passes away first.

Surrender fee (also called a contingent deferred sales charge, or CDSC)
The CDSC pays for sales expenses such as commissions, promotions and sales materials. The CDSC is deducted from your cash value if you surrender (terminate) your contract before the end of your surrender charge period. Be sure to check the length of your surrender charge period when evaluating a contract to buy.

Tax implications
Annuities are taxed when you withdraw money or receive payments. If the annuity was purchased with pre-tax funds, the entire amount of withdrawal is taxed as ordinary income. You are taxed on the annuity's earnings only if you purchased it with after-tax money.

Withdrawals
Payments you take from an annuity while keeping the rest of your contract invested.

Talk to your financial professional to learn more about how an annuity may benefit your retirement plan.

Don't have a financial professional?
You can find one **here.**

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Variable products are sold by prospectus. Carefully consider the investment objectives, risks, charges and expenses. The product and underlying fund prospectuses contain this and other important information. Investors should read them carefully before investing. To request a copy, go to nationwide.com/prospectus or call 1-800-848-6331.

Products are issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio. The general distributor for variable products is Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

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