Income for Life Rider
Frequently Asked Questions

How is my income stream determined upon electing the rider?

- The initial income installment is calculated based on your current Cash Value at the time of rider election.
- An annuity factor will be applied based on factors including but not limited to your age, face amount, risk class, gender, and policy duration at the time of exercise.
- Upon each policy anniversary, if the performance of the underlying account value exceeds the current target performance (5.99% as of 2025, non-guaranteed and subject to change), the income amount will be recalculated as of that policy anniversary. The income amount does not decrease from year to year but may potentially increase as a result of this built-in "step-up" feature. This adjustment occurs on an annual basis.

When can I elect the rider?

This rider is automatically included in the eligible products. However, you need to meet the following conditions to elect the rider and exercise the benefits:

- Have had the policy in-force for no less than 10 years and;
- At the time of election, you must be between 55 and 85 years of age.

What are the other requirements at time of election?

- Your policy must be qualified under GPT (Guideline Premium Test).
- You must not have received any accelerated death benefits from the Accelerated Access Solution Chronic Illness Rider or QoL Select Choice II Accelerated Benefits Riders for Chronic, Critical and Terminal Illnesses.
- Pay off in full any existing loan balances at the date of the election.
- Resulting income must not be less than a minimum level set in your rider at the time of election.

How can I request election of the rider?

- At any time within 12 months preceding the Policy Anniversary you are eligible, you may submit a written request at least 15 days prior to a policy anniversary.
- We will approve your written request to exercise this benefit provided all requirements are met.
- You only need to submit the request once. There is no need to re-submit every year. The payments will continue automatically annually until the earliest date of the following scenario: death, lapse of the policy, surrender of the policy, maturity of the policy, or your written request to terminate the rider.

How do I receive payments upon electing this rider?

- You will receive scheduled installment payments on frequency of your election (monthly, quarterly, semi-annually, or annually). An annual fee of $25 will be assessed for modes other than annual.
- Installment payments are processed as a combination of withdrawals / standard loans.
- You can choose a level payment option or an increasing payment option. Under the increasing payment option (COLA or Cost of Living Adjustment), you can further choose any of the three annual increase rates of 1%, 2% or 3%.

Are there any charges to electing this rider?

- Upon exercise of the rider, a one-time Rider Expense Charge will be deducted from your current Cash Value at the time of rider election.
- The charge amount will vary depending on your age, face amount, risk class, gender, and policy duration at the time of election. The amount is non-guaranteed but not to exceed a guaranteed maximum.
- If the payment frequency selected is other than annual, an additional annual fee may be assessed.

What changes and restrictions will apply to my policy upon election of the rider?

- Upon rider election, the policy death benefit needs to be Level DB and Loan type in Standard Loan.
- New premium payments will not be accepted, and new loans and changing the loan type will not be permitted.
- Other policy changes are not permitted: withdrawals other than IFLR installment payments, transfer of accumulation value, and death benefit amount and options, or the rider will be terminated.

- All other existing riders on the base policy must terminate except Overloan Protection Rider and Death Benefit Installment Rider (Select Income Rider).

Is my death benefit still available after I elect the rider?

- After the rider is elected, the death benefit of the base policy remains in effect.
- The policy's death benefit will be revised on a periodic basis automatically to be no less than the minimum under Section 7702 of the Internal Revenue Code.
- If the rider is terminated and the policy remains in-force, the death benefit also remains payable. However, if the policy lapses or is surrendered, no further life insurance benefit is payable.

Can I stop the rider and income payments after election?

- After the rider is in effect, the rider may be terminated at any time. A written request must be submitted to terminate the rider.
- The base policy will continue thereafter under ordinary policy administration.
- After the rider terminates, you may request changes to the base policy.
- Upon rider termination, the base policy changes due to rider election will not reverse. However, you may submit request for standard administrative policy changes.
- If the base policy terminates and is later reinstated, and IFLR benefit payments have not been made, then this rider will also be reinstated.

Can I change or reverse the COLA or increasing payment option?

- Policyholders may choose, at the end of electing the rider, between a level payment option or an increasing payment option (COLA).
- The payment option once chosen, may not be changed after the rider is in effect and payments start.

What will cause the Income for Life rider to terminate?

This rider will terminate on the earliest date of the following:

- The death of the policyholder
- The lapse or surrender of the base policy
- The maturity of the base policy
- The exercise of any accelerated death benefit on the base policy
- The rider is elected to be terminated by written request of the policyholder

Are there any tax implications with using this rider?

- Generally, the Company does not interpret the benefits as taxable income under current tax law. Taxation of distributions from policies in MEC status including those distributions caused by this rider will be taxable.
- Under certain scenarios, the benefits may be taxable to the recipient. The tax reporting may change based on future IRS guidance. Please consult your tax advisor to assess the impact of the benefits on your specific circumstances.

For more information, contact your financial professional.