



Be Brilliant.®

Have confidence in your retirement income plan

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A note to Ameriprise financial advisors

The Retirement Income Interactive Guide is a resource that can help you present key concepts to your retirement planning clients. As you'll see, it's a collection of slides showing a variety of strategies to educate and provide actionable steps to help clients generate the income they need to cover their essential expenses and ensure their lifestyle income in retirement. Unlike other client resources, the Retirement Income Interactive Guide:

- is intended to be presented by the advisor for one-on-one conversations or presentations to clients (reference AdTrax #2852493), not used by clients on their own
- provides flexibility for you to cover as many or as few of the concepts you'd like
- may be used digitally or as a printed resource

Together these key concepts can help you support your conversations with clients to help increase the confidence they have in their retirement income plan.

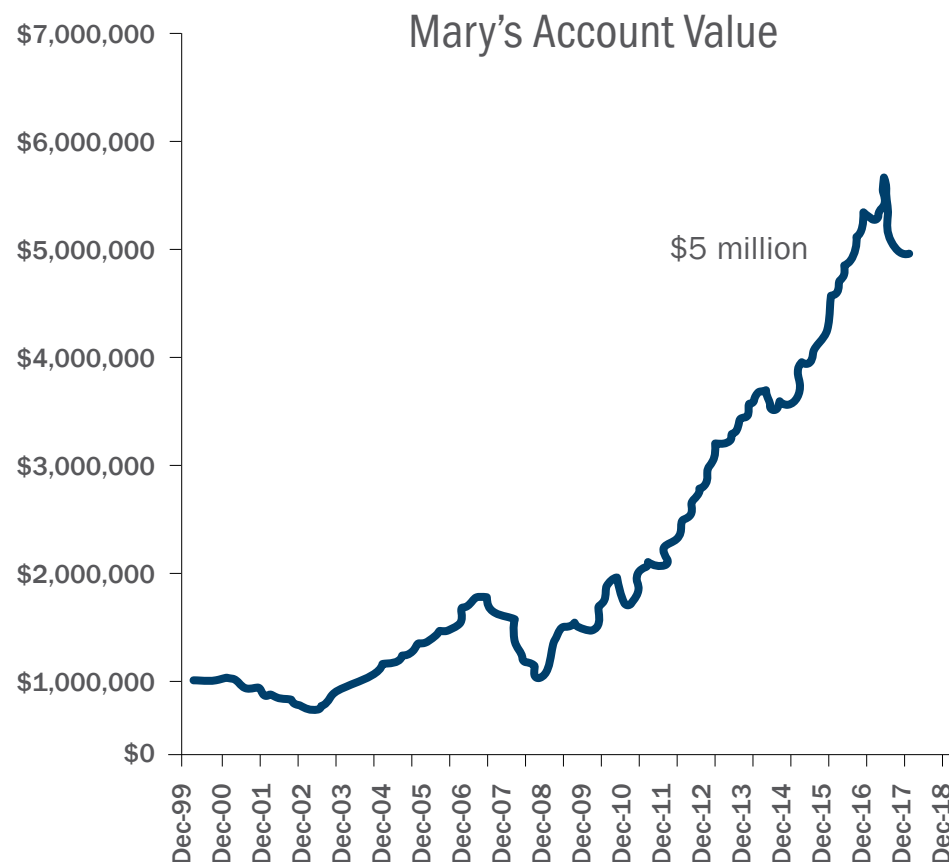


Market Volatility - the Accumulation Experience

It comes as a surprise to many retirees that distributing their accumulated retirement savings as income requires inherently different strategies than saving it did. Take the case of Mary and Rose, for example. Although Mary experienced two bear markets early on, by maintaining discipline and investing in equities for growth, her account grew to \$5 million.



- It's the end of 1999
- Mary Johnson was 40 years old
- \$1 million in qualified assets
- Invested 100% in U.S. Large Cap stocks, represented by the S&P 500 Index
- Continued savings 5% per year, increasing by 2% each year for inflation
- Over 20 years, Mary's account grew to \$5 million



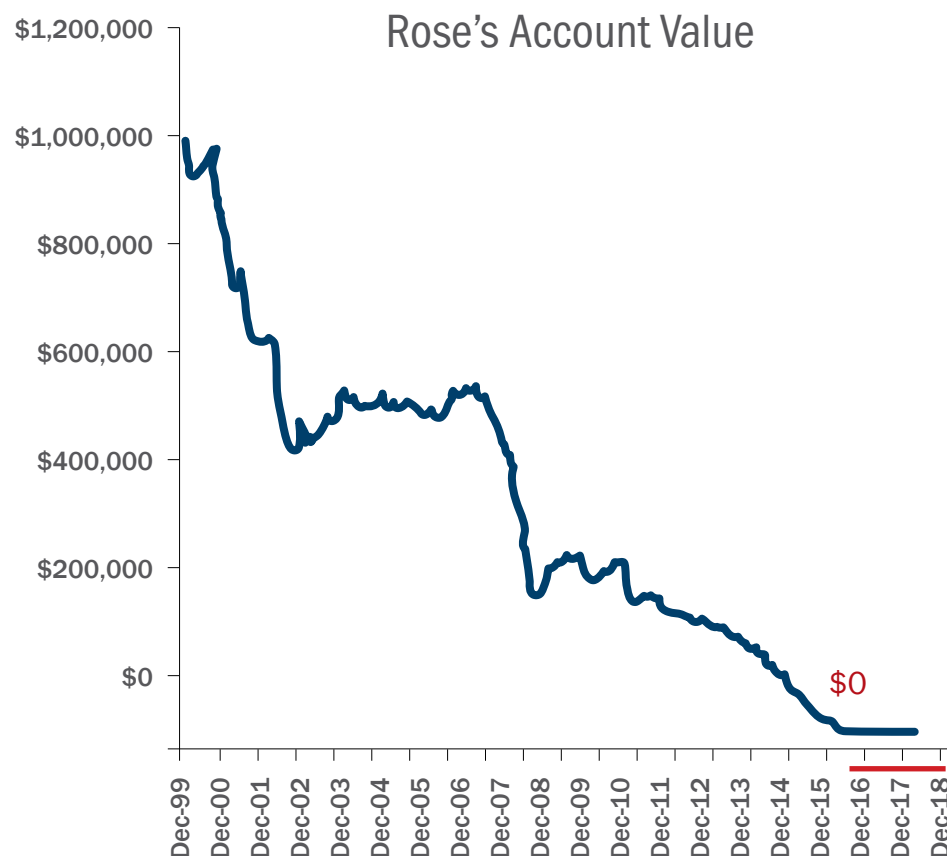
*This illustration is hypothetical and is not meant to represent any specific investment or imply any guaranteed rate of return. future financial results.

Market Volatility - the Distribution Experience

Rose's outcome distributing her accumulated savings, on the other hand, was a very different experience even with the same investment mix as Mary and experiencing the same market conditions. The rules in retirement are different and by 2016 Rose was out of money.

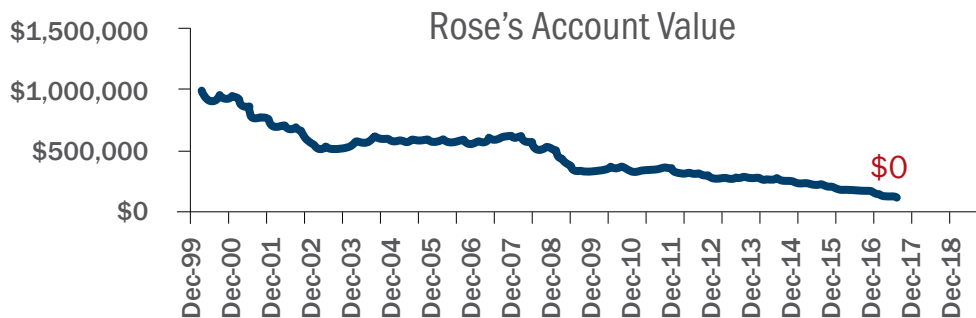
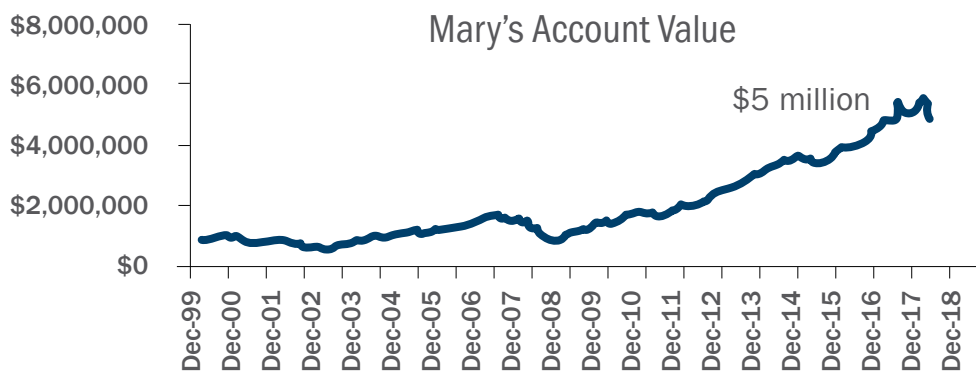


- It's the end of 1999
- Rose Johnson was 65 years old
- \$1 million in qualified assets
- Invested 100% in U.S. Large Cap stocks, represented by the S&P 500 Index
- Withdrew 5% per year, increasing by 2% each year for inflation
- Rose's account fell to \$0



“What got you here won’t get you there”

After decades accumulating wealth, retirees face new risks and need new strategies to create and sustain income for 20, 30 or more years. What happened to Rose doesn’t have to happen to you. By carefully managing these risks, you can be more confident in your retirement income strategy.



Retirement Risks

Market volatility

Sequence of return

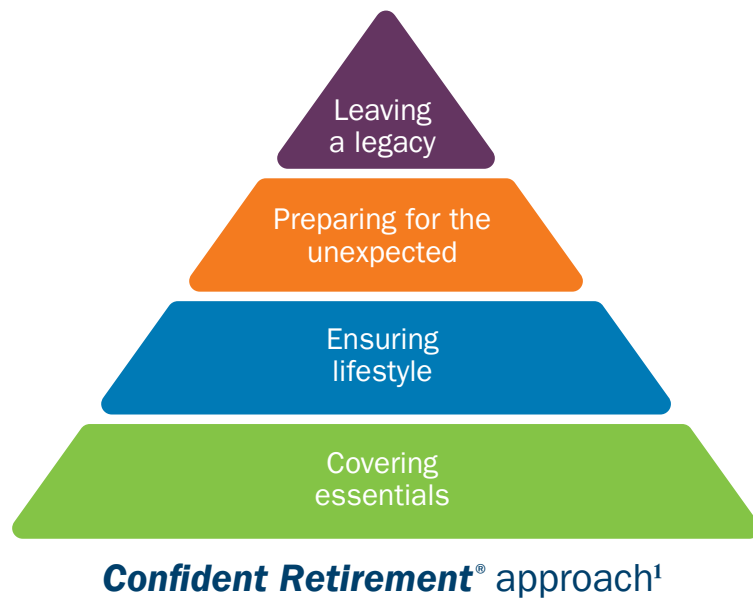
Interest rates

Withdrawal rate

Inflation

Taxes

Income that can last a lifetime



The Ameriprise **Confident Retirement** approach provides retirees a straightforward framework to create a sound retirement plan to provide income that can last a lifetime.

This exclusive approach is designed to help plan an income stream that covers both essential and lifestyle expenses, prepares you to address unexpected events and leave a legacy to family or charitable organizations.

Steps to retirement income success

The *Confident Retirement* approach¹ helps you overcome risks and provides actionable steps to generate income to cover your essential expenses and ensure your lifestyle income in retirement.

1

Cover essential expenses with guaranteed* and stable income sources

- Be smart about when you claim Social Security
- Consider an annuity for a lifetime of income

2

Create lifestyle income for the things you want to do today and in the future

- Think carefully about a sustainable withdrawal rate and adjust spending when off track
- Apply the principles of a sound retirement portfolio to your investments
- Use a bucketing approach to protect your cashflow from market fluctuations

3

Harness tax strategies to keep more for retirement

¹The *Confident Retirement*[®] approach is not a guarantee of future financial results.



*Guarantee, as used in this material, depends upon the ability of the issuing entity to honor and pay the amount you may be entitled to. U.S. Gov't bonds are backed by the full faith and credit of the U.S. Government. CDs are FDIC-insured up to \$250,000 per depositor. Insurance and annuity products are backed only by the continued claims paying ability of the issuing company. It is possible that an issuing entity may not be financially able to meet income guarantee obligations.

Cover essential expenses with guaranteed and stable income sources

The foundation of the Ameriprise *Confident Retirement* approach is to cover all essential expenses such as housing, food, utilities, taxes and medical expenses with solutions that offer guaranteed or stable income.

Reasons to use guaranteed and stable income sources

- Guaranteed income sources can't be outlived
- Provides protection against market volatility and longevity
- With essential expenses covered, you may be able to invest the remaining portfolio more aggressively
- Allows more spending early in retirement when you may be more likely to enjoy it



Be smart about when you claim Social Security

Deciding when to claim benefits will have a meaningful and permanent impact on the benefit you receive. Claiming before your Full Retirement Age can significantly reduce your benefit and survivor benefits, while delaying increases it.








Age of collection									
FRA	62	63	64	65	66	67	68	69	70
65	80%	86.7%	93.3%	100%	106%	112%	118%	124%	130%
66	75%	80%	86.7%	93.3%	100%	108%	116%	124%	132%
67	70%	75%	80%	86.7%	93.3%	100%	108%	116%	124%

For instance, if your Full Retirement Age is 67 and you claim Social Security benefits at age 62, you will receive only 70% of the full benefit.

Source SSA.gov

Designate a portion of your portfolio to a guaranteed lifetime income solution

Benefits that can help you face your retirement challenges and prepare for a more *Confident Retirement*.

 <p>Tax deferral</p>	<p>You don't pay taxes on your investment earnings until you begin making withdrawals, so the money that would have paid for federal taxes continue to grow with your annuity investments.*</p>
 <p>Investment options</p>	<p>Choose from a wide range of investment options across many styles and disciplines. You can also invest a portion of your money in a fixed account that provides a guaranteed rate of return.¹</p>
 <p>Liquidity</p>	<p>Although annuities are long-term investments, they offer partial access to your assets during the surrender charge period without surrender charges.²</p>
 <p>Guaranteed income</p>	<p>When you're ready to start using your money, annuities offer a variety of guaranteed income options – even options for lifetime income.</p>
 <p>Death benefits</p>	<p>Standard death benefits help protect your investment for your beneficiaries. And you can add optional death benefit features (for an additional fee).³</p>

Variable annuities are long-term investment vehicles designed to help you through each stage of retirement — from accumulating assets, to providing income in retirement and leaving any remaining wealth to your heirs. In return for the benefits they provide, variable annuities carry a mortality and expense fee and subaccount management fees. Other fees may include optional rider fees, surrender charges and an annual contract charge.

* Because annuities are intended for retirement investing, withdrawals made from an annuity before age 59½ may be subject to a 10% IRS tax penalty. If you use an annuity within a retirement plan that is already tax-deferred, such as an IRA, the annuity doesn't provide any additional tax deferral. Please talk with a tax adviser to learn more about the tax benefits of annuities and how they would apply to you.

Guarantees are based on the claims-paying ability of the issuing company. These guarantees do not apply to the investment in the annuity, which will vary with market conditions.



¹ Investment choices vary by issuer and may be limited based on the combination of features and benefits chosen. There is no guarantee that investment objectives will be satisfied or that return expectations will be met.

² Waivers vary by issuer and state. Many issuers also offer variable annuities with no surrender charges (for a higher fee).

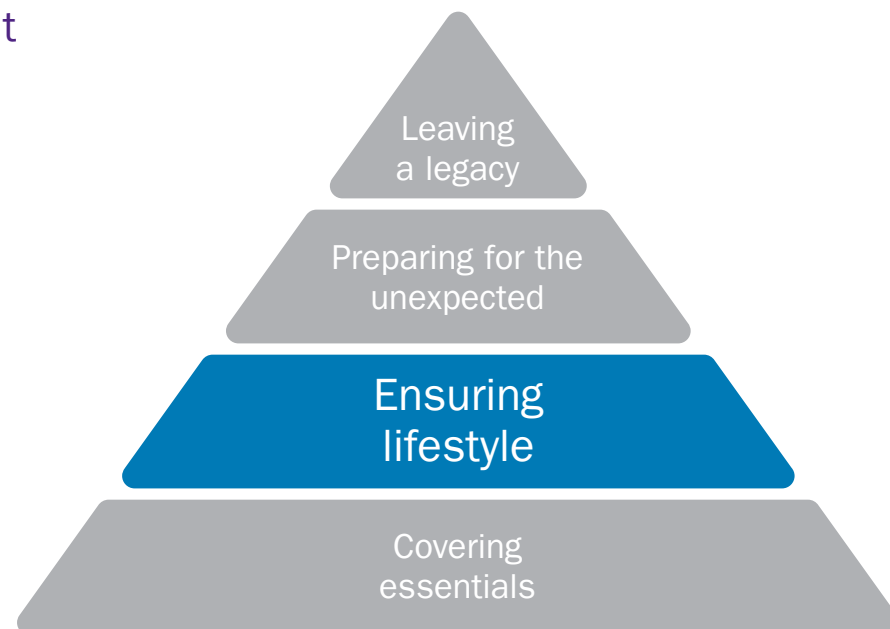
³ Death benefit features and availability vary by issuer and state.

Ensure lifestyle income for the things you want to do today and in the future

Lifestyle is about the things you want to do and how you want to live today and in the future. Spending habits can change and inflation adds up over time. Build a flexible investment and withdrawal plan to help ensure your lifestyle.

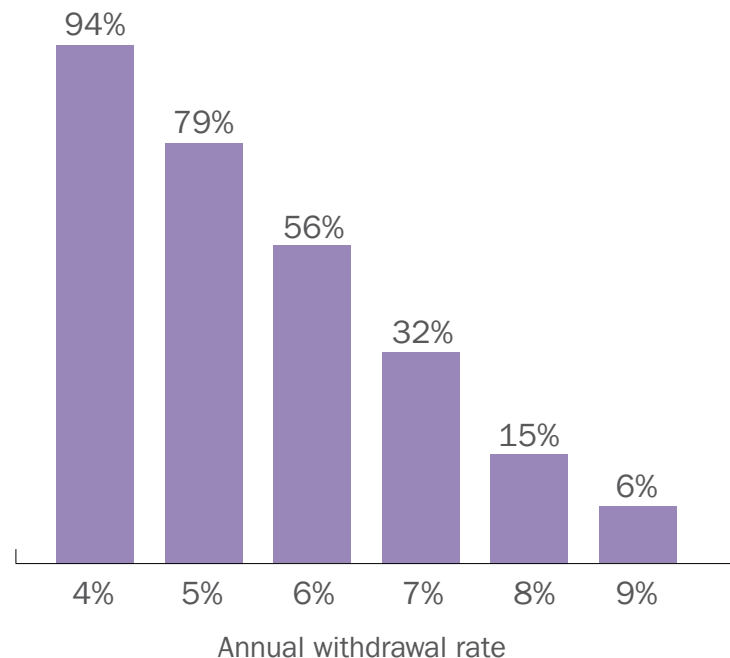
Creating a retirement strategy that's right for you

- Think carefully about a sustainable withdrawal rate
- Apply the principles of a sound retirement portfolio including downside protection, income generation and growth and inflation protection to your lifestyle investments
- Use a bucketing approach to protect your cashflow from market fluctuations



Think carefully about how much you withdraw from your retirement savings

Probability of income lasting over a 30-year retirement



Will you have enough money?

If you begin by withdrawing 4% of your savings during your first year of retirement and adjust subsequent withdrawals to account for inflation, the chance of it lasting 30 years is improved.

This analysis was created using random sampling of historic inflation and investment growth rates over 10,000 trials and tested against various withdrawal rates. The success rate is determined by summing the number of 30 year trials that resulted in a final portfolio that had a positive value as a percent of the 10,000 trials. Historical returns were from 1926 through 2017 for the hypothetical portfolio. The hypothetical portfolio is assumed to have a moderate allocation as follows: 3% cash, 48% bonds and 49% equities. The indices used were: Cash: U.S. 30 Day Treasury Bill; Bonds: 1926 - 1975 50% Ibbotson SBBI U.S. Long Term Corporate Total Return, 50% Ibbotson SBBI US Long Term Government Total Return, 1976-2017 Bloomberg Barclays U. S. Aggregate Bond Index; Equity: 1926-1970 Ibbotson SBBI US Large Stock Total Return, 1971-2017 Wilshire 5000 Total Market Full Total Return; Inflation: U.S. Department of Labor - U.S. Consumer Price Index for All Urban Consumers: All Items, Percent Change, Not Seasonally Adjusted. All data was collected using Morningstar Direct. Indices are unmanaged and do not incur management fees or other expenses. You cannot invest directly in an index. Past performance is no guarantee of future results. There is no guarantee that investment objectives will be satisfied or that return expectations will be met. The data assumes reinvestment of dividends and does not account for taxes. While there is no guarantee your annuity with a guaranteed lifetime withdrawal benefit will keep up with inflation, this feature may provide a better chance of addressing this key challenge.

Think carefully about a sustainable withdrawal rate

We recommend considering to start with a 4% initial withdrawal adjusted for inflation and dynamically fine-tuned, either up or down based on various factors. Work with your advisor to ensure your plan takes these factors into consideration.

Factors that can reduce withdrawal rate

- Market volatility
- Inflation
- Life expectancy
- Long-term care
- Healthcare



- Risk tolerance
- Adaptive spending
- Guaranteed income sources
- Interest rates

Factors that can increase withdrawal rate



Ameriprise does not offer tax or legal advice. Consult with a tax advisor or attorney.

Apply the principles of a sound retirement portfolio to your lifestyle investments

Lifestyle is about achieving the life you've earned.



Downside protection. The danger that your portfolio will decline in value, particularly early in retirement, due to market fluctuations is one of the main dangers facing investors in retirement. Your advisor will recommend strategies and solutions that can help mitigate the impact of market volatility.



Income generation. In retirement the focus naturally shifts to creating a retirement paycheck that will last a lifetime. One step in this process is to begin transitioning your portfolio to income producing assets. However, your portfolio should not become “income exclusive” but rather “income leaning.”



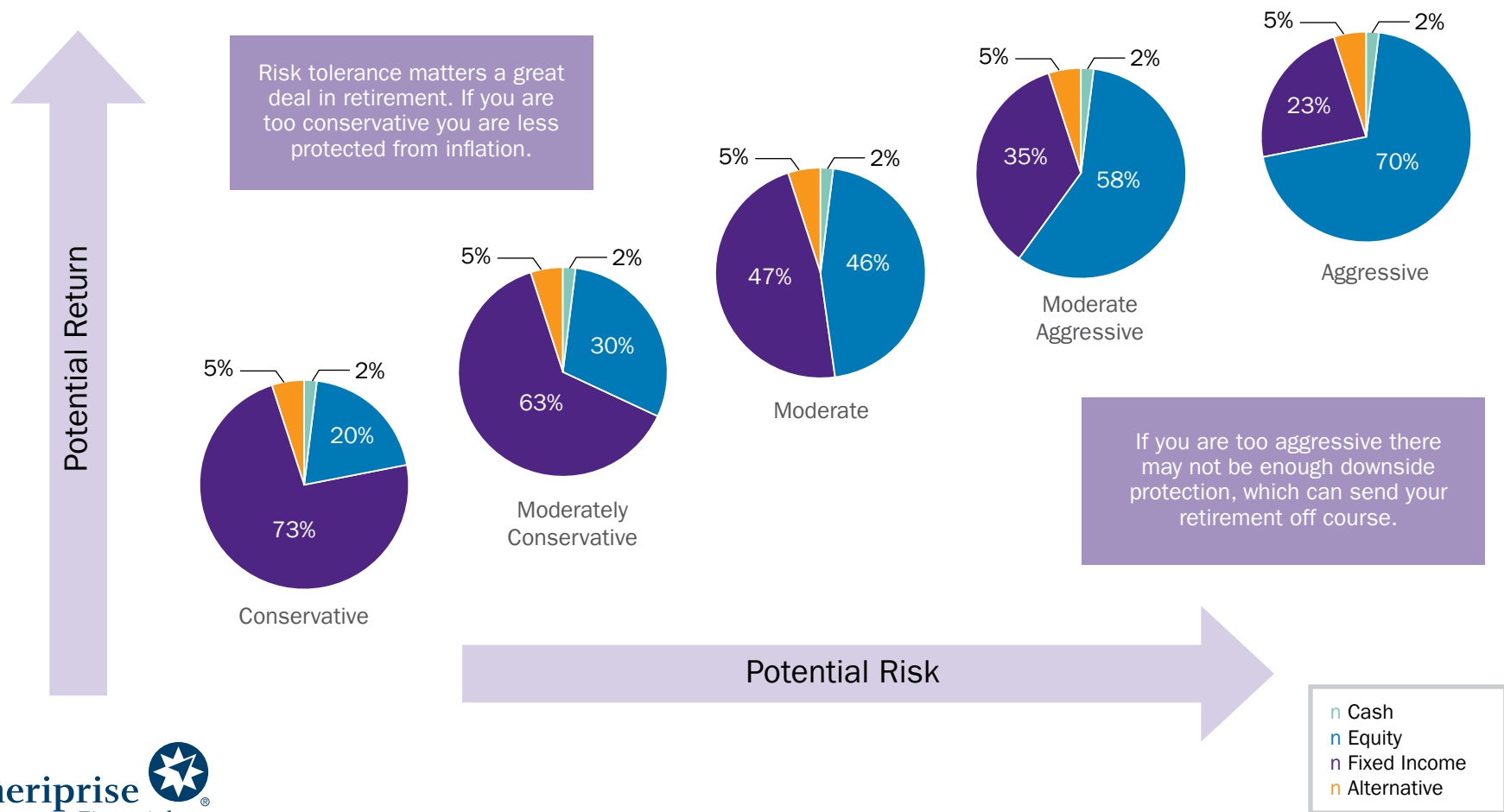
Growth and inflation protection. If you need \$5,000 a month to live now, you will need \$10,000 a month in just over 20 years to support the same standard of living. Longer life expectancies and inflation means retirees need a portion of their portfolio in assets that grow over time and hedge against inflation.



Balance is the key to retirement success. Building a portfolio that offers downside protection, income generation, capital growth and inflation protection requires careful analysis of each investment in the portfolio and making smart tradeoffs.

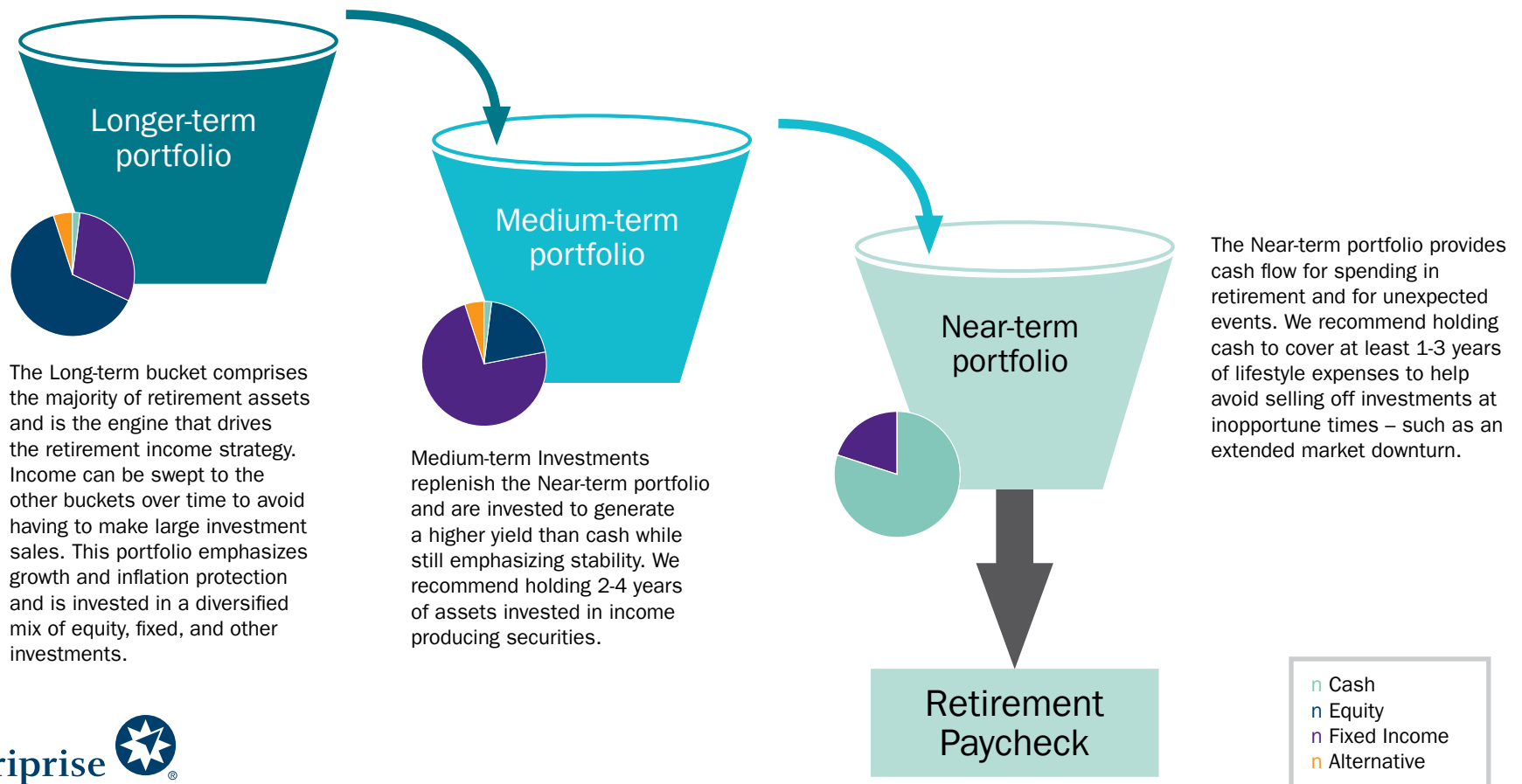
Choose your asset allocation in retirement

Asset allocation is about finding the appropriate mix of risk and return potential for you. We recommend considering a diversified portfolio incorporating the principles of a sound retirement portfolio when selecting investments. This process may require greater investment choice than typically available in 401(k) plans and/or target date funds.



Structure your portfolio in retirement

The retirement bucket strategy can help you balance your goal for growth without having to sell securities in a down market to meet your living expenses. With this approach you establish different “buckets” with different allocations. The long-term portfolio is invested for growth. The medium-term bucket is invested to balance income and stability. The near-term portfolio provides cash flow for spending and unexpected events.



Harness tax strategies to keep more for retirement

Tax-smart strategies can extend the life of your portfolio up to three years longer¹ and provide flexibility if market conditions, life events or tax rates change throughout your retirement journey.



Tax-efficient withdrawals

- Take Required Minimum Distributions
- Withdraw from taxable accounts, particularly if there are long-term gains or qualified dividends that are taxed at preferential rates
- Take from non-qualified annuities, then other tax-deferred and finally tax-exempt

Exceptions to this are related to filling up the lowest tax brackets with taxable withdrawals from tax-deferred accounts and/or Roth conversions. Also use some Roth or non-taxable sources to keep from crossing into higher rates.



Asset location

Asset location is a tax management strategy that takes advantage of the fact that different types of accounts get different tax treatments. Using this strategy, an investor determines which securities should be held in tax-deferred and tax-free accounts and which securities should be held in taxable accounts in order to maximize after-tax returns.



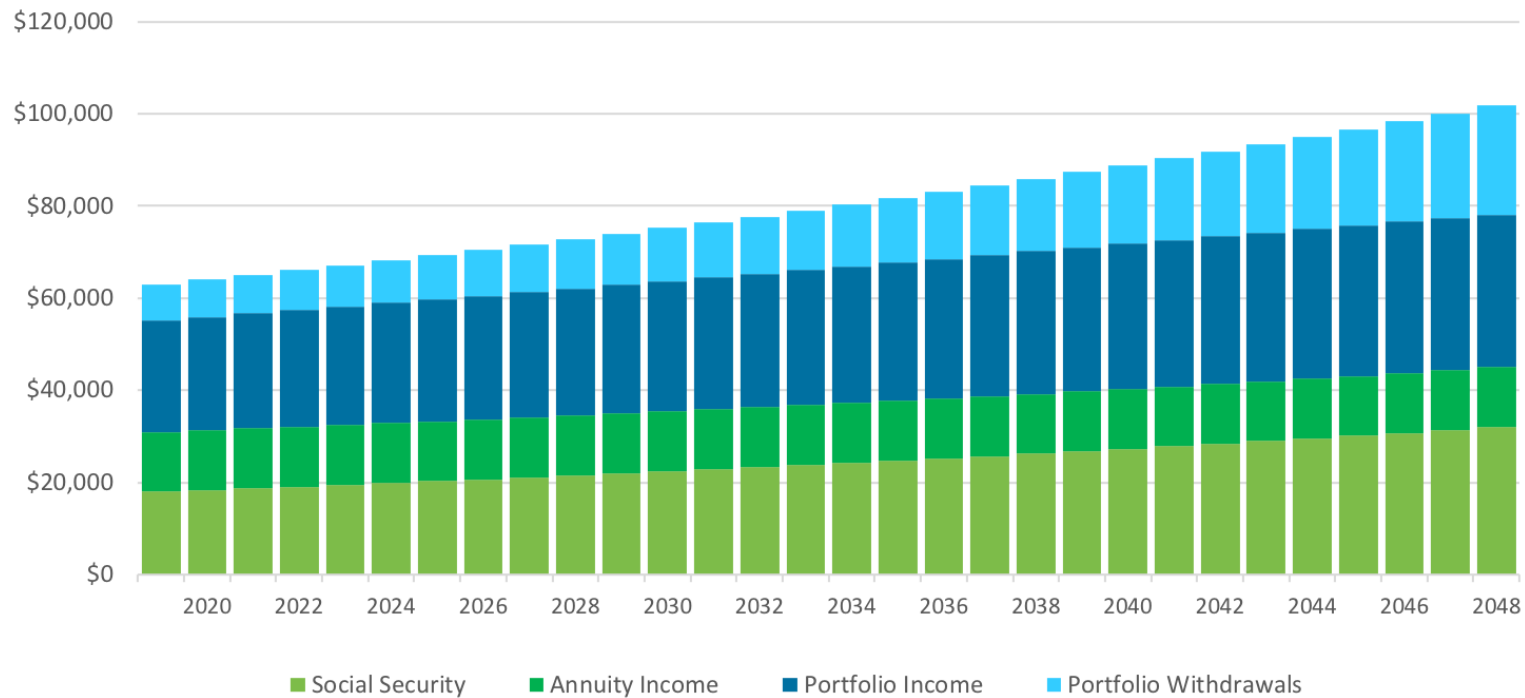
Tax loss harvesting

No one likes to lose money on their investments. But with tax loss harvesting you can at least get a tax benefit. Tax loss harvesting involves selling a losing investment in order to generate capital losses that you can write off on your tax return to offset other taxable income. Be aware of wash sale rules. If you sell stock for a loss and buy it back within 30 days before or after the loss-sale date, the loss cannot be immediately claimed for tax purposes, but is added to the new basis.

Bringing it all together

A solid retirement income strategy builds your retirement paycheck from multiple income sources and doesn't over-rely on any one source.

Hypothetical Retirement Paycheck



Your Ameriprise advisor can help you feel more confident about your retirement

The investment and tax strategies used to distribute wealth are different than those used to accumulate wealth. Before starting distributions, you and your advisor will discuss the decisions about how to use the wealth you've accumulated – what got you here – to get you there.

Key decisions

- The age at which you retire
- The income you will need and ways you might adjust your spending in some years
- Your other sources of income that can help your retirement savings last
- Weathering market volatility, particularly in the early years of retirement
- Ways to cope with market volatility and other unexpected events throughout your retirement journey
- Your asset allocation strategies
- Tax strategies that can help your money last longer

For more than 125 years, Ameriprise has been helping people build wealth for the future and manage their investments in retirement.

For those approaching or in retirement, the ***Confident Retirement*** approach is a process of actionable steps that helps you make smart choices to generate income from and safeguard your accumulated wealth.

Talk to your Ameriprise financial advisor today.

