



NASSAU

NASSAU GROWTH ANNUITY® TRAINING SUPPLEMENT

Optional Guaranteed Lifetime Withdrawal Benefit Riders

**WORKING HARDER
TO BE YOUR
CARRIER OF CHOICE**

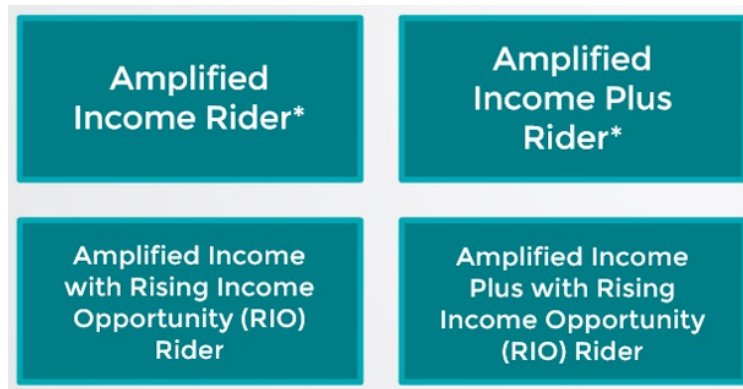
Producers are required to review this training material prior to recommending a Nassau Growth Annuity contract.

More compliance information is available at:
salesnet.nfg.com/compliance

RIDER OVERVIEW

GUARANTEED LIFETIME INCOME OPTIONS

Nassau Growth Annuity (NGA) has four optional riders aimed at providing clients with a guaranteed income for life. Clients can only elect one rider with their NGA contract.



All rider options:

- Charge an annual fee.
- Must be elected at contract issue.
- Are only available at issue ages 80 and under, and only on contracts with a 10-year Surrender Charge Schedule (9-years in CA).
- Include a spousal option, which provides an income stream for the life of both people.

*Riders are subject to state approval and may not be available in all states. For current rider state availability information, please refer to the Product Summary.

UNDERSTANDING THE RIDER OPTIONS

Understand the Performance-Based Annual Growth

All four riders include features to boost potential income payments through an annual performance-based roll-up. Each year 150% of the interest credited to the contract value, net of strategy fees, is added to the Income Benefit Base for up to 15 years. If interest credited is less than the strategy fees, the Income Benefit Base will not be reduced.

Select the Steady Income or Rising Income Opportunity

Guaranteed Income payments begin when your client exercises their rider. The Amplified Income and Amplified Income Plus riders offer steady income payments once exercised, and the Amplified Income with RIO and Amplified Income Plus with RIO riders offer the opportunity for income payments to rise after rider exercise. The "RIO" riders provide a lower initial income benefit compared to the steady income options, but have the opportunity to provide potentially higher income payments in the future based on contract performance.

Consider Adding Guaranteed Growth:

The Amplified Income Plus and Amplified Income Plus with Rising Income Opportunity riders guarantee that their Income Benefit Base continues to grow, regardless of contract performance, for up to 15 years until the rider is exercised.

COMPARING THE RIDER OPTIONS

Nassau Growth Annuity's optional riders give your clients options to help them match their accumulation objectives with their potential future income needs.

REVIEW THE CHART BELOW TO UNDERSTAND HOW THE RIDERS COMPARE BASED ON STEADY VS. RISING INCOME OPPORTUNITY, OPPORTUNITIES FOR BENEFIT BASE GROWTH AND RIDER FEES

NASSAU GROWTH ANNUITY OPTIONAL RIDERS AT A GLANCE¹

	Amplified Income	Amplified Income with Rising Income Opportunity	Amplified Income Plus	Amplified Income Plus with Rising Income Opportunity
Steady OR Rising Income Opportunity	Steady	Rising	Steady	Rising
Annual Performance-Based Growth²	Sets the income benefit base at the single premium and will increase on each contract anniversary by 150% of the contract's growth, net of strategy fees, but no less than zero, for up to 15 years			
Performance-Based Growth and Guaranteed Growth³			Guaranteed Growth	Guaranteed Growth
Annual Rider Fee (% of Benefit Base)⁴	0.25%	0.25%	0.95%	0.95%

1. Riders are subject to state approval and may not be available in all states. For current rider state availability information, please refer to the Product Summary.
2. For all riders, on each contract anniversary, 150% of the contract's growth, net of strategy fees, will be added to the income benefit base. For the Amplified Income and Amplified Income Plus riders, the roll-up ends after 15 years or until rider exercise (if sooner). For the Amplified Income with Rising Income Opportunity and Amplified Income Plus with Rising Income Opportunity riders, the roll up ends after 15 years.
3. The income benefit base will grow at an annual rate equal to 3% of the initial benefit base, adjusted for any withdrawals, for up to 15 years or until rider exercise (if sooner).
4. The amount deducted for the rider fee will grow as the income benefit base grows. The rider fee may increase after the 15th contract anniversary, subject to the maximum specified in the contract.

HOW THE RIDERS WORK

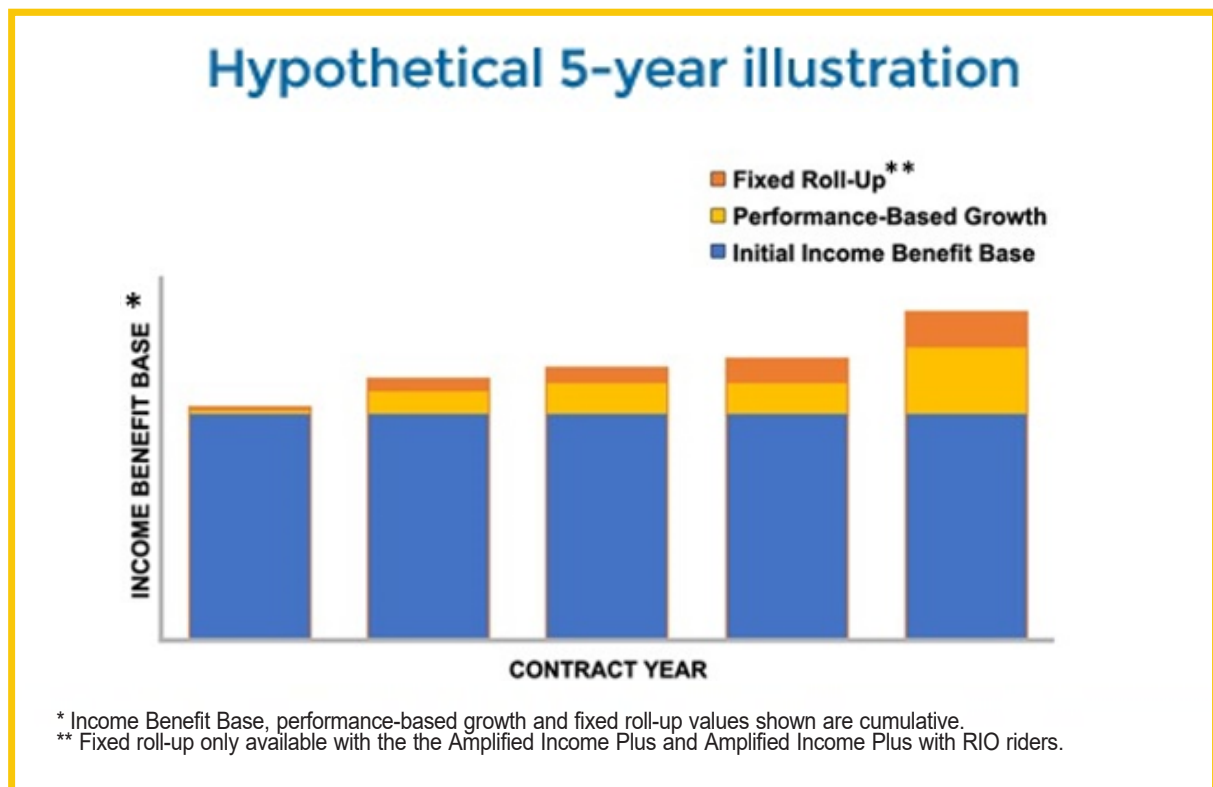
All riders calculate a lifetime income using an Income Benefit Base.

The **Income Benefit Base** is an amount equal to the premium payment at issue.

Each year, all fixed interest and index credits to the base annuity, minus any strategy fees, are multiplied by 150% and added to the previous year's **Income Benefit Base** to determine the new Income Benefit Base. We call this "performance-based growth".

- For the **Amplified Income and Amplified Income Plus** riders, the performance-based growth continues for 15 years or until rider exercise (if sooner).
- For the **Amplified Income with RIO and Amplified Income Plus with RIO** riders, the performance-based growth continues for 15 years regardless of rider exercise.

In addition to the performance-based growth, for the **Amplified Income Plus and Amplified Income Plus with RIO** riders, the Income Benefit Base will grow at an annual rate equal to 3% of the initial Income Benefit Base, adjusted for any withdrawals, for up to 15 years or until rider exercise (if sooner). We call this the "fixed roll-up".



IMPORTANT NOTE: The Income benefit base is used to determine the client's lifetime income payments and is also used as the basis for calculating fees. **It's NOT the cash value of the contract and CANNOT be withdrawn. The amount deducted for rider fees will grow as the income benefit base grows.** If interest credited is less than strategy fees, the income benefit base is not reduced.

HOW THE INCOME BENEFIT BASE IS CALCULATED

Amplified Income and Amplified Income with RIO Riders

FORMULA FOR CALCULATING INCOME BENEFIT BASE EACH YEAR

$$\begin{array}{r} \text{Income Benefit Base} \\ + \text{ (Greater of \$0 and (Total Credits - Strategy Fees) x 150\%)} \\ \hline = \text{New Income Benefit Base} \end{array}$$

EXAMPLE

Assumptions:

- Income Benefit Base Starts at \$200,000
- Interest and Index Credits are \$12,000
- Strategy Fee is \$2,000

$$(\$12,000 - \$2,000) \times 150\% = \$15,000$$

$$\$200,000 + \$15,000 = \$215,000$$

**In this example, the new
Income Benefit Base is
\$215,000**

Amplified Income Plus and Amplified Income Plus with RIO Riders

FORMULA FOR CALCULATING INCOME BENEFIT BASE EACH YEAR

$$\begin{array}{r} \text{Income Benefit Base} \\ + \text{ (Greater of \$0 and (Total Credits - Strategy Fees) x 150\%)} \\ + \text{ 3\% rollup} \\ \hline = \text{New Income Benefit Base} \end{array}$$

EXAMPLE

Assumptions:

- Income Benefit Base is \$200,000
- Single Premium \$100,000 (no withdrawals)
- Interest and Interest Credits are \$12,000
- Strategy Fee is \$2,000

$$(\$12,000 - \$2,000) \times 150\% = \$15,000$$

$$\$100,000 \times 3\% = \$3,000$$

$$\$200,000 + \$15,000 + \$3,000 = \$218,000$$

**In this example, the new
Income Benefit Base is
\$218,000**

EXERCISING A RIDER

The riders can be exercised anytime, provided the youngest covered person (owner or spouse) is 50 or older.

- A client "locks in" their **Annual Benefit Amount Percentage** by exercising their rider.
- The **age of the youngest covered person** at rider exercise determines the Annual Benefit Amount Percentage.
- The Annual Benefit Amount Percentage is multiplied by the **Income Benefit Base** to determine the client's **Annual Benefit Amount** (the amount that will be paid annually for life).

$$\begin{array}{rcl} & \text{Income Benefit Base} & \\ \times & \text{Annual Benefit Amount Percentage} & \\ \hline = & \text{Annual Benefit Amount} & \end{array}$$

Use the lookup table on Salesnet to determine current Annual Benefit Amount Percentage rates.

It's important to consider the following:

- For the Amplified Income and Amplified Income Plus riders, the Income Benefit Base stops growing once the rider is exercised.
- For the Amplified income with RIO and Amplified Income Plus with RIO rider, the Income Benefit Base can continue to grow even after the rider is exercised until the 15th contract anniversary.
- Income payments will reduce the contract's Accumulation Value.
- Prior to exercising the rider, all withdrawals (including Required Minimum distributions, or "RMDs") will reduce the Income Benefit Base.
- After rider exercise, withdrawals that exceed the guaranteed minimum withdrawal amount (or RMD, whichever is greater) will reduce the Income Benefit Base.

It's also important that you explain to your clients that the amount of guaranteed lifetime income they receive depends on which rider was elected at issue, contract performance, age of youngest covered person at issue, age of youngest covered person at rider exercise, and whether they selected the single or spousal life option.

CHANGES TO INCOME AMOUNTS

It's important for your clients to understand when their guaranteed minimum lifetime withdrawal amount may change under the terms of their contract.

- For the Amplified Income with RIO and Amplified Income Plus with RIO riders, if the Income Benefit Base grows after the rider is exercised, then the client's Annual Benefit Amount will increase.
- Prior to exercising the rider, all withdrawals, including free withdrawals and Required Minimum Distributions (RMDs), are taken from the annuity's Accumulation Value and will also reduce the Income Benefit Base in proportion to the reduction in Accumulation Value.
- After exercising the rider, withdrawals in excess of the guaranteed lifetime income amount or RMD associated with the contract, whichever is greater, will reduce the Income Benefit Base and future guaranteed income payment in proportion to the reduction in Accumulation Value.
- If the Accumulation Value reaches zero due to regular lifetime payments or fees, the payments continue. If it reaches zero for any other reason, the rider terminates.
- **It is critical to explain to clients the differences between the Accumulation Value and the Income Benefit Base. Accumulation Value is NOT equal to the Income Benefit Base.** Accumulation Value is the real dollar amount your client's contract has accumulated, less withdrawals and applicable fees.

RIDER TERMINATION

There are several reasons why an optional income rider will terminate.

- The Accumulation Value reaches zero due to excess withdrawals.
- The NGA contract terminates for any reason.
- The owner assigns rights or interests to the rider or NGA contract.
- Upon written request by the owner.
- If there is a change in any covered person.

NOTE: Once the rider is terminated, it **cannot** be reinstated.

RIDER FEES

You must disclose to the client that there is an annual fee for the income rider.

- The Amplified Income and Amplified Income with RIO riders have an annual fee of 0.25%, and the Amplified Income Plus and Amplified Income Plus with RIO riders have an annual fee of 0.95%.
- The percentage of the fee is subject to change after the 15th contract year, but will never exceed 0.75% (for Amplified Income and Amplified Income with RIO riders) or 1.50% (for Amplified Income Plus and Amplified Income Plus with RIO riders).
- These fees are calculated by taking their percentage from the Income Benefit Base, and therefore will grow as the Income Benefit Base grows. That amount is then deducted from the **Accumulation Value** each year after any applicable interest credits are applied. This deduction **does not change the Income Benefit Base**.
- The annual fee is levied for the life of the contract, **even after the rider is exercised**. However, since the fee is deducted from the Accumulation Value, it will no longer be deducted once the Accumulation Value is depleted.

EXAMPLE

- Accumulation Value is \$100,000
- Income Benefit Base is \$200,000
- Rider Fee is 0.95%

$$0.95\% \times \$200,000 = \$1,900$$

$$\$100,000 - \$1,900 = \$98,100$$

In this example, the Accumulation Value after the rider fee is \$98,100. The Income Benefit Base however, remains unchanged

SUITABILITY

It's important to consider your client's financial needs and objectives, including but not limited to future potential income needs, before recommending a particular indexed annuity and income strategy rider.

Annuities are long-term contracts and are generally not suitable for clients who seek short-term capital appreciation or immediate income. Fixed indexed annuities are generally only suitable for clients who can tolerate the risks associated with the contract and are willing to accept any non-guaranteed contract elements, including rates and fees.

Guaranteed lifetime income riders may not be suitable for all clients. It's important that you do NOT focus on the availability of specific riders alone when describing the Nassau Growth Annuity. You are responsible for ensuring that your client has been informed about all the various features and risks of the annuity, including but not limited to, features of riders or other options of the annuity, fees, potential charges, market risks, and other insurance and investment components and risks of the contract.

Be sure to explain to the client the following:

- Future income provided by any NGA income rider is dependent upon the contract's performance (interest and/or index credits).
- The Income Benefit Base, roll-up amounts and Annual Benefit Amount Percentages are used solely to determine rider benefits and DO NOT directly impact the Accumulation Value of the contract.
- The dollar amount of the rider fee increases as the Income Benefit Base increases.

Nassau has a strong commitment to adhere to the suitability guidelines set forth in the NAIC Suitability in Annuity Transactions Model Regulation and applicable state laws. You are required to comply with all of the requirements of the NAIC Suitability in Annuity Transactions Model Regulation and/or any state-specific suitability regulations.

This training material is intended as a supplement to the Nassau Growth Annuity product-specific training. Before recommending the annuity, you are required to complete Nassau product-specific training as well as any state-mandated training. These training materials include detailed information regarding suitability regulations and related requirements as required by law and are incorporated into this training material by reference.

We will not issue an annuity if the recommendation does not comply with applicable state regulations, if incomplete information is submitted with the application, or if the application/recommendation does not meet our internal suitability requirements.

For more information regarding Nassau's suitability requirements and the types of situations where Nassau will not issue an annuity contract, see our Compliance Guide on SalesNet:

<https://salesnet.nfg.com/compliance.html>

KNOWLEDGE CHECK

Review these questions and mark or highlight the answer you believe is correct. Compare your answers to the Answer Key at the end of this document to test your understanding of the Nassau Growth Annuity riders and complete this training.

1. **True or False:** Under the Amplified Income Plus and Amplified Income Plus with RIO riders, the 3% annual simple interest credit to the Income Benefit Base stops after 15 years or upon rider exercise, whichever is sooner.
 - ☐ True
 - ☐ False
2. **True or False:** The main difference between the Amplified Income and Amplified Income with RIO riders is that the Income Benefit Base for Amplified Income with RIO has the potential to grow by 150% of the sum of interest and index credits (less strategy fees, if applicable) for up to 15 years after contract issuance, regardless of when the rider is exercised.
 - ☐ True
 - ☐ False
3. Which of the NGA riders allow for guaranteed income payments to potentially grow, based on contract performance, after rider exercise? **Select all that apply**
 - ☐ Amplified Income
 - ☐ Amplified Income Plus
 - ☐ Amplified Income with Rising Income Opportunity Amplified
 - ☐ Income Plus with Rising Income Opportunity
4. Who would be ideal candidates for purchasing the Nassau Growth Annuity with Amplified Income Plus rider? **Select the best answer**
 - ☐ Clients seeking potentially higher future income for life
 - ☐ Clients who are looking to take income immediately
 - ☐ Clients who are interested in growth and not a guaranteed income stream
 - ☐ None of the above
5. **True or False:** The Income Benefit Base will decrease after rider exercise if a withdrawal is taken above the guaranteed income amount (or the RMD, if greater)
 - ☐ True
 - ☐ False
6. **True or False:** Any withdrawals taken from the contract prior to exercising the rider, even RMDs, will reduce the Income Benefit Base.
 - ☐ True
 - ☐ False
7. **True or False:** If an optional income rider is elected, although the Income Benefit Base can grow by 150% of interest and index credits less strategy fees, only the Amplified Income Plus and Amplified Income Plus with RIO riders provide an additional 3% simple interest roll-up until rider exercise.
 - ☐ True
 - ☐ False
8. Which of these statements describe how the Income Benefit Base of the Amplified Income Plus rider can grow each year while your client waits to exercise the rider? **Select all that apply**
 - ☐ 3% compound interest roll-up
 - ☐ 3% simple interest roll-up
 - ☐ 5% simple interest roll-up
 - ☐ Additional premium payments
 - ☐ 150% of premiums paid, less strategy fees
 - ☐ 150% of interest credited, less strategy fees

KNOWLEDGE CHECK (continued)

9. Which of the following statements are true about the Amplified Income Plus rider's Income Benefit Base?

- ☐ The Income Benefit Base increases by a fixed simple interest rate for up to 15 years or until the rider is exercised (if sooner).
- ☐ The Income Benefit Base stops increasing after the rider is exercised.
- ☐ The Income Benefit Base can increase by more than 100% of fixed and indexed credits less any strategy fees.
- ☐ The Income Benefit Base is used in the calculation of rider fees.
- ☐ All of the above.

10. Which of the these statements describe how the Income Benefit Base of the Amplified Income rider can grow each year while your client waits to exercise the rider? **Select all that apply**

- ☐ 3% compound interest roll-up
- ☐ 3% simple interest roll-up
- ☐ 5% simple interest roll-up
- ☐ Additional premium payments
- ☐ 150% of premiums paid, less strategy fees
- ☐ 150% of interest credited, less strategy fees

11. Which of the four optional riders have a 3% simple interest roll-up available? **Select all that apply**

- ☐ Amplified Income
- ☐ Amplified Income with RIO
- ☐ Amplified Income Plus Amplified
- ☐ Income Plus with RIO

12. Which of the following statements is false about the Amplified Income Plus with RIO rider?

- ☐ The Income Benefit Base stops increasing by interest credits after the rider is exercised.
- ☐ The Income Benefit Base stops increasing by guaranteed roll-up percentage after the rider is exercised.
- ☐ The Income Benefit Base can increase by more than 100% fixed and indexed credits less any strategy fees.
- ☐ The Income Benefit Base is used in the calculation of rider fees.
- ☐ None of the above.

WORKING HARDER TO BE YOUR CARRIER OF CHOICE

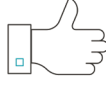
OUR CORE VALUES



We get things done



We are supercharging our legacy



We are committed to our customers



Day in and day out, we work hard to be your carrier of choice

Knowledge Check Answer Key

1. True
2. True
3. Amplified Income with Rising Income Opportunity; Amplified Income with Rising Income Opportunity
4. Clients seeking potentially higher future income for life
5. True
6. True
7. True
8. 3% simple interest roll-up; 150% of interest credited less strategy fees
9. All of the above
10. 150% of interest credited, less strategy fee
11. Amplified Income Plus; Amplified Income Plus with RIO
12. The income benefit base stops increasing by interest credits after the rider is exercised.

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Lifetime payments and guarantees are based on the claims-paying ability of Nassau Life and Annuity Company.

Annuities are long-term products particularly suitable for retirement assets. Annuities held within qualified plans do not provide any additional tax benefit. Early withdrawals may be subject to surrender charges and a market value adjustment. Withdrawals are subject to ordinary income tax, and if taken prior to age 59½, a 10% IRS penalty may also apply. Clients are encouraged to consult with their legal and tax advisors with respect to the suitability of this product for their specific needs. Nassau does not provide individual tax, financial or investment advice, or act as a fiduciary in the sale or service of their products.

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Insurance Products: NOT FDIC or NCUAA Insured | NO Bank or Credit Union Guarantee

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