

Indexed Annuity Rider Disclosure Document

Income Strategy Rider

Offered with Nassau Personal Income AnnuitySM

PURPOSE

Thank you for your interest in the Income Strategy Rider, issued by Nassau Life and Annuity Company (Company). The purpose of this document is to help you understand the important features, benefits, risks and costs associated with your purchase of this rider. Please read this document carefully and discuss the rider with your producer before making your purchasing decision. Once you have read this document, please sign and return the last page with your completed application. Retain this disclosure document for future reference.

RIDER OVERVIEW

The Income Strategy rider is available in two options: Today and Tomorrow, and offers:

- Access to guaranteed income payments of a specific amount every year for life once the rider is exercised, if certain conditions are met.
- Growth of the potential Income Benefit amount when you wait to exercise your rider.

This rider is not optional and includes an additional annual fee, so if you do not need guaranteed lifetime income, the annuity contract to which this rider is attached may not be appropriate for you.

If you have questions about this rider, please ask your producer, or contact a company representative at 1-800-541-0171, Option 1.

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One American Row, Hartford, CT 06102
Please visit us online at www.nsre.com

WHAT IS A COVERED PERSON?

The Covered Person is the person whose life is used to determine the amount, eligibility and duration of guaranteed income payments under the rider. The Covered Person cannot be changed after the rider is issued.

For the Single Life Option, there is one Covered Person and guaranteed income payments end upon the death of the Covered Person.

For the Spousal Life Option there are two Covered Persons, who must be spouses and each other's designated beneficiary. Guaranteed income payments end upon the death of the surviving Covered Person.

The option you select cannot be changed by the Owner(s) in the event of marriage, divorce, legal separation, annulment or the death of a Covered Person. Additionally, a Spousal Life Option rider cannot be converted into two Single Life Option riders.

WHAT IS THE INCOME BENEFIT AND HOW DOES IT WORK?

The Income Benefit provides guaranteed annual income payments (guaranteed income payments) for the life of the Covered Person(s). Your Income Benefit will grow each year until you exercise your rider. Generally, the Income Strategy: Today rider is for someone who plans to begin guaranteed income payments soon after issue; while the Income Strategy: Tomorrow rider is for someone who plans to wait before beginning guaranteed income payments. Both riders allow you to choose when you want to begin guaranteed income payments.

Guaranteed income payments are withdrawals from your contract and will therefore reduce your Accumulation Value, Cash Surrender Value and death benefit. Guaranteed income payments will continue for life even if your Accumulation Value is reduced to zero, as long as you comply with the terms of the rider.

When can you start taking guaranteed income payments?

You choose the date your guaranteed income payments begin. This is known as exercising your rider. Your payments will begin on the monthly anniversary following the date we receive your request. Payments cannot start before the youngest Covered Person turns 50.

How much can you receive each year in guaranteed income payments?

After you exercise your rider, you are entitled to receive a fixed dollar amount each Contract Year. This amount is called your Annual Benefit Amount and is equal to a percentage of your Income Benefit Base (Withdrawal Benefit Base) or your Accumulation Value, if greater, on the date you exercise your rider. Withdrawals up to your Annual Benefit Amount will not incur charges and adjustments, even if they are greater than the Free Withdrawal Amount provided by your contract. Any portion of your Annual Benefit Amount not withdrawn during a Contract Year cannot be carried forward to the next Contract Year.

What is the percentage used to calculate your Annual Benefit Amount?

The percentage is called your Annual Benefit Amount Percentage. It is based on rider option you select (Single Life or Spousal Life) and the age of the **youngest living Covered Person** on the date you exercise your rider. Prior to purchasing your rider, your producer will provide you with a table of the Annual Benefit Amount Percentages for your rider. The applicable percentages will also appear in your rider.

YOU SHOULD KNOW:

The Annual Benefit Amount Percentage is NOT a guaranteed rate of interest credited to your Accumulation Value.

HYPOTHETICAL EXAMPLE: Let's calculate your Annual Benefit Amount assuming the following:

- Your Annual Benefit Amount Percentage is 4.00%
- Your Income Benefit Base is \$200,000

Multiply your Income Benefit Base by the Annual Benefit Amount Percentage $\$200,000 \times 4.00\% =$ **\$8,000**

Your Annual Benefit Amount will be \$8,000 per year

What is your Income Benefit Base?

Your Income Benefit Base is an amount used to determine your Annual Benefit Amount and your rider fee. It has no cash value and cannot be withdrawn from your annuity. The calculation of your initial Income Benefit Base varies based on the rider you choose.

Income Strategy: Today

This rider includes a Roll-Up feature and an immediate bonus added to your Income Benefit Base. This Income Benefit Base Bonus (Withdrawal Benefit Base Bonus) is equal to 30% of your premium payment. On the day your contract is issued, your Income Benefit Base for this rider is equal to your Premium Payment plus your Income Benefit Base Bonus.

Example:	Step 1:	\$100,000	x	30%	=	\$30,000
		Premium Payment		Income Benefit Base Bonus %		Income Benefit Base Bonus
	Step 2:	\$100,000	+	\$30,000	=	\$130,000
		Premium Payment		Income Benefit Base Bonus		initial Income Benefit Base

Income Strategy: Tomorrow

This rider includes an increased Roll-Up feature without an Income Benefit Base Bonus. On the day your contract is issued, your Income Benefit Base for this rider is equal to your premium payment.

Example:	\$100,000	=	\$100,000
	Premium Payment		initial Income Benefit Base

Can your Income Benefit Base increase after issue?

Yes. Using simple interest, your Income Benefit Base will increase by the Roll-Up amount each Contract Year you wait to exercise your rider. This increase is called a Roll-Up. Your Roll-Up amount is equal to your applicable Roll-Up Rate multiplied by your initial Income Benefit Base, adjusted for certain withdrawals (Adjusted Initial Withdrawal Benefit Base). Roll-ups will continue for 10 years or until you exercise your rider, whichever happens first. At the end of the initial 10 year period, if you have not exercised your rider, you may elect to continue Roll-Ups for another 10 years at a newly declared Roll-Up Rate, which will be no less than 3%.

Income Strategy: Today

The Roll-Up Rate for the Income Today riders is 5.77% in years 1-2 and 3% in years 3-10.

When your rider is issued, your Income Benefit Base is immediately increased by the 30% Income Benefit Base Bonus. If you do not exercise your rider or take any withdrawals, the cumulative growth (Income Benefit Base Bonus and Roll-Up) in your Income Benefit Base will be 37.5% after one Contract Year and 45% after two Contract Years.

Income Strategy: Tomorrow

The Roll-Up Rate for the Income Tomorrow riders is 14% in years 1-10.

YOU SHOULD KNOW:

Your Income Benefit Base, Income Benefit Base Bonus, Roll-Up Rate and Annual Benefit Amount Percentages are used solely to determine rider benefits and DO NOT impact your Accumulation Value.

EXAMPLE: Let's see how your Income Benefit Base can increase each Contract Year, assuming the following:

- Your Premium Payment was \$100,000
- For the Income Strategy Today riders your Income Benefit Base Bonus is 30%
- The Roll-Up Rate for the Income Strategy Today riders is 5.77% in years 1-2 and 3% in years 3-10
- The Roll-Up Rate for the Income Strategy Tomorrow riders is 14% in years 1-10
- You have not exercised your rider or taken any withdrawals

At the end of each of the first 10 Contract Years, your Income Benefit Base will increase as follows:

Income Strategy: Today			
Rider Year	Income Benefit Base (start of year)	Roll-Up Amount	Income Benefit Base (end of year)
1	\$130,000	\$7,501	\$137,501
2	\$137,501	\$7,501	\$145,002
3	\$145,002	\$3,900	\$148,902
4	\$148,902	\$3,900	\$152,802
5	\$152,802	\$3,900	\$156,702
6	\$156,702	\$3,900	\$160,602
7	\$160,602	\$3,900	\$164,502
8	\$164,502	\$3,900	\$168,402
9	\$168,402	\$3,900	\$172,302
10	\$172,302	\$3,900	\$176,202

Income Strategy: Tomorrow			
Rider Year	Income Benefit Base (start of year)	Roll-Up Amount	Income Benefit Base (end of year)
1	\$100,000	\$14,000	\$114,000
2	\$114,000	\$14,000	\$128,000
3	\$128,000	\$14,000	\$142,000
4	\$142,000	\$14,000	\$156,000
5	\$156,000	\$14,000	\$170,000
6	\$170,000	\$14,000	\$184,000
7	\$184,000	\$14,000	\$198,000
8	\$198,000	\$14,000	\$212,000
9	\$212,000	\$14,000	\$226,000
10	\$226,000	\$14,000	\$240,000

This example is intended only to show how the Roll-Up feature can increase your Income Benefit Base. For information on how to calculate guaranteed income payments, see the section entitled "What is the percentage used to calculate your Annual Benefit Amount?"

Can withdrawals reduce your Income Benefit?

Yes. Withdrawals can reduce your Income Benefit in two ways:

Prior to Exercising Your Rider

Any withdrawals (including Required Minimum Distributions or RMDs) will reduce future guaranteed income payments. Your Income Benefit Base, your initial Income Benefit Base and any future guaranteed income payments will be reduced in the same proportion that your Accumulation Value is reduced by any withdrawal (including RMDs).

After Exercising Your Rider

Any Excess Withdrawals will reduce future guaranteed income payments. An Excess Withdrawal is any withdrawal (excluding RMDs) taken after you exercise your rider that causes your cumulative withdrawals in that Rider Year to exceed your Annual Benefit Amount.

Your Income Benefit Base and Annual Benefit Amount will be reduced in the same proportion that your Accumulation Value is reduced by any Excess Withdrawal.

What are your considerations for taking RMDs?

- If you take an RMD before exercising your rider, your future Income Benefit will be reduced.
- If you choose to exercise your rider to satisfy your RMD requirements, your Income Benefit will stop growing.
- If your RMD is greater than your Annual Benefit Amount, you can take your RMD, after exercising your rider, without reducing your Income Benefit.

HYPOTHETICAL EXAMPLE: Let's calculate the effect of an Excess Withdrawal on your Income Benefit Base and Annual Benefit Amount, after you have exercised your rider, assuming the following:

- Your Accumulation Value is \$100,000
- Your Income Benefit Base is \$200,000
- Your Annual Benefit Amount is \$10,000 and your Annual Benefit Amount Percentage is 5%
- You take a \$28,000 withdrawal

1	Deduct your Annual Benefit Amount from your Accumulation Value	$\$100,000 - \$10,000 =$	\$90,000
2	Deduct your Annual Benefit Amount from the total withdrawal requested to determine the Excess Withdrawal	$\$28,000 - \$10,000 =$	\$18,000
3	Divide the Excess Withdrawal from Step 2 by the result from Step 1 to determine the reduction percentage	$\$18,000 \div \$90,000 =$	20%
4	Multiply the Income Benefit Base prior to the Excess Withdrawal by the reduction percentage to determine the reduction amount	$\$200,000 \times 20\% =$	\$40,000
5	Subtract the result from Step 4 from the Income Benefit Base to derive your new Income Benefit Base after the Excess Withdrawal	$\$200,000 - \$40,000 =$	\$160,000
6	Multiply your new Income Benefit Base from Step 5 by your Annual Benefit Amount Percentage to determine your new Annual Benefit Amount	$\$160,000 \times 5\% =$	\$8,000

After the Excess Withdrawal, your Income Benefit Base is reduced to \$160,000 and your Annual Benefit Amount is reduced \$8,000.

Note: This example DOES NOT include any applicable Surrender Charge or MVA.

What happens to your Income Benefit when your Accumulation Value is reduced to zero?

Your guaranteed income payments will continue if your Accumulation Value is reduced to zero as a result of rider fee deductions or guaranteed income payments. Guaranteed income payments continue until the death of the Covered Person (for the Single Life Option) or the death of the surviving Covered Person (for the Spousal Life Option).

Guaranteed income payments will stop and your rider will terminate if your Accumulation Value is reduced to zero for any other reasons (including an Excess Withdrawal).

What happens to your Income Benefit on death?

If you elected the Single Life Option, your Income Benefit will terminate on the death of the Covered Person.

If you elected the Spousal Life Option, your Income Benefit will continue as long as the surviving Covered Person elects to continue the contract as the Owner ("Spousal Continuation"). If the contract is continued, your Income Benefit will terminate upon the death of the surviving Covered Person.

What happens when you reach the Contract Maturity Date under your annuity?

If your Accumulation Value is greater than zero, you have the option to select lifetime guaranteed income payments equal to 1/12th of your Annual Benefit Amount in place of one of the annuity options offered by your base annuity contract.

IS THERE A RIDER FEE?

Yes. At the end of each Contract Year, an annual fee will be deducted from your Accumulation Value. The fee will be deducted proportionately from all Accounts, after your Index Credits (if any) are added. The fee is equal to 0.95% multiplied by your Income Benefit Base. The fee will reduce your Accumulation Value, and it will reduce interest credited to the contract, especially in years when the contract earns little to no interest.

Can the amount of your rider fee ever change?

Yes. Any change to your Income Benefit Base will result in a change to your fee. If your Income Benefit Base increases, your fee will increase. If your Income Benefit Base decreases, your fee will decrease.

Can the percentage used to calculate your rider fee ever change?

Yes. We may change the percentage (Rider Fee Percentage) used to calculate your rider fee after the 10th Contract Year. The percentage may increase or decrease; however, the percentage will never exceed 1.50%.

Are you charged a rider fee if you surrender your contract or the Income Benefit terminates?

Yes. We will deduct a proportional rider fee (based on the number of days that have elapsed in the Contract Year) from your Accumulation Value.

YOU SHOULD KNOW:

The dollar amount of your fee increases as your Income Benefit Base increases.

EXAMPLE: Let's calculate your rider fee and its impact on your Accumulation Value, assuming the following:

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

- | | | |
|---|--|---|
| ① | Multiply your Rider Fee Percentage by your Income Benefit Base to determine your rider fee | $0.95\% \times \$200,000 = \$1,900$ |
| ② | Deduct the result from Step 1 from your Accumulation Value | $\$100,000 - \$1,900 = \mathbf{\$98,100}$ |

After deduction of your rider fee, your new Accumulation Value is \$98,100. Your Income Benefit Base remains unchanged.

CAN YOUR RIDER TERMINATE?

Yes. The Income Benefit will terminate without value on the earliest of the following dates:

- the date of death of the Covered Person under the Single Life Option, or the date of death of the surviving Covered Person under the Spousal Life Option;
- the date your Income Benefit Base is reduced to zero (as the result of any withdrawals, including RMDs, before you exercise your rider, or Excess Withdrawals, after you exercise your rider);
- the date your contract, to which your Income Benefit is attached, terminates (as the result of surrender, annuitization, payment of a death benefit, any withdrawals, including RMDs, before you exercise your rider or Excess Withdrawals, after you exercise your rider);
- the date you assign any rights or interests in your rider or your contract to which your rider is attached
- the date the Owner elects, in writing, to cancel the rider;
- the date there is a change in any Covered Person.

Once the Income benefit terminates, it may not be reinstated. Upon termination, fees will no longer be deducted and past fees will not be refunded. These termination provisions may vary by state. Please see your rider for the specific termination provisions that apply to your rider.

TAXES

Amounts received under this rider are subject to the same tax treatment as amounts received under the annuity contract to which the rider is attached. In brief, the payments will be subject to income tax as contract distributions. Please see the annuity contract product disclosure for additional details.

Nassau Life and Annuity Company does not offer legal or tax advice.

The annuities:

- **Are NOT insured by the FDIC, NCUSIF, or any other state or federal agency that insures.**
- **Are subject to Surrender Charges that could result in possible loss of premium applied to this annuity, or, principal.**
- **Are NOT securities and are not subject to registration with the Securities and Exchange Commission (SEC”).**

The Income Strategy rider is a Guaranteed Lifetime Withdrawal Benefit rider (form number 19GLWB2).

This is a summary document and not part of your contract with the insurer.

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Income Strategy Rider Offered with Nassau Personal Income Annuity

Please SIGN THIS PAGE of the disclosure and RETAIN it for your records.

I. Owner(s) Acknowledgements (required in ALL states)

- I have received this Rider Disclosure Document and retained a copy.
- I have received a table of the applicable Annual Benefit Amount Percentages for my rider.
- I understand that there is an annual fee for this rider which may reduce my Accumulation Value.
- I understand that this rider is not optional and that the Income Benefit provides guaranteed income payments for life, if certain conditions are met.
- I understand that my base annuity contract provides for the ability to take withdrawals. I also understand that withdrawals before I exercise my rider or Excess Withdrawals after I exercise my rider will reduce the benefits provided by this rider.
- I understand that my Income Benefit Base, Roll-Up Rate and Annual Benefit Amount Percentages are used solely to determine rider benefits and do not impact my Accumulation Value.
- I have reviewed the information in this disclosure document with my producer. I have had an opportunity to ask questions and receive answers about anything I did not understand.

Owner Name (please print)

Owner Signature

Date (mm/dd/yyyy)

Joint Owner Name (please print, if applicable)

Joint Owner Signature (if applicable)

Date (mm/dd/yyyy)

II. Producer Acknowledgement (required in ALL states)

- I have provided a copy of this Rider Disclosure Document to the Owner(s).
- I have provided a table of the applicable Annual Benefit Amount Percentages to the Owner(s).
- I have not made any statements that differ from what is stated in this disclosure document nor have I made any promises about the expected future values or performance of this rider.

Producer Name (please print)

Producer Code

Producer Signature

Date (mm/dd/yyyy)

LEAVE WITH OWNER(S)

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Income Strategy Rider Offered with Nassau Personal Income Annuity

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Joint Owner Signature (if applicable)

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Producer Code

Producer Signature

Date (mm/dd/yyyy)

RETURN WITH APPLICATION