



EQUITABLE



# LIVIT

Retirement Cornerstone®  
variable annuity

Variable Annuities: • Are Not a Deposit of Any Bank • Are Not FDIC Insured • Are Not Insured by Any Federal Government Agency  
• Are Not Guaranteed by Any Bank or Savings Association • May Go Down in Value

# Understanding today's retirement challenges

Saving for retirement involves careful planning and consistent consideration of the challenges that can keep goals from being met — challenges that change according to ups and downs in the market and the economic environment of our times. Preparing to address these challenges is important.

At Equitable, we refer to today's retirement challenges as LIVIT:

L

Longevity

I

Inflation

V

Volatility

I

Interest  
rates

T

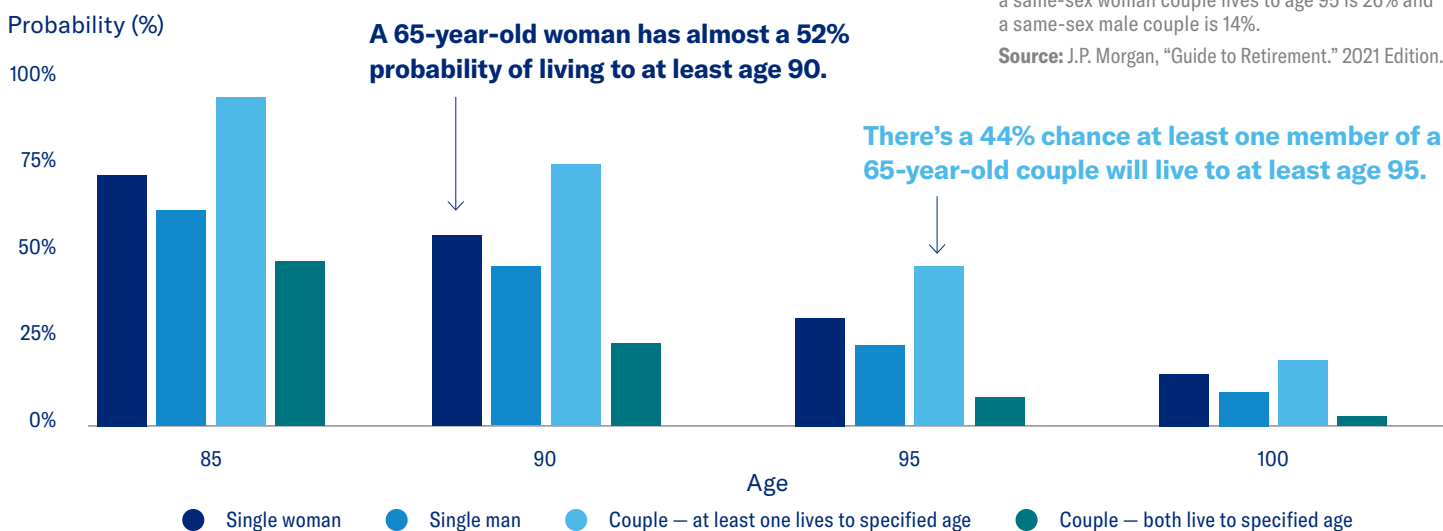
Taxes

# Longevity

## Is outliving retirement funds a possibility?

The facts speak for themselves. People are living longer — which should be a positive, right? But, the prospect of having to plan to be in retirement for 25 or 30 years can be daunting. The following chart provides some interesting statistics about longevity.

## How much longer will a 65-year-old live?



**Chart:** Social Security Administration, Period Life Table, 2018 (published in 2021), J.P. Morgan Asset Management.

**Table:** "Social Security Administration 2021 OASDI Trustees Report." Probability at least one member of a same-sex woman couple lives to age 95 is 26% and a same-sex male couple is 14%.

**Source:** J.P. Morgan, "Guide to Retirement," 2021 Edition.

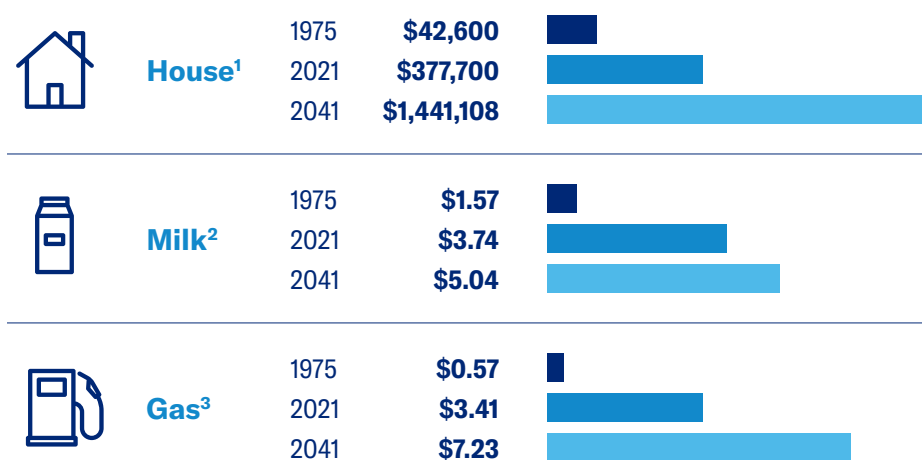
# Inflation

## Will purchasing power keep pace?

No one can predict where inflation rates are headed. However, the bottom line is that each year the dollar buys less and less. Even moderate rates of inflation can severely erode the future

purchasing power of hard-earned retirement dollars. The following example demonstrates how a 3% inflation rate may impact purchasing power over time.

## How much will it cost tomorrow?



## What you can do:

Ask a financial professional about strategies available to help address inflation concerns.

<sup>1</sup> U.S. Census, "Median and Average Sales Prices of New Homes Sold in United States."

<sup>2</sup> U.S. Department of Labor, "Bureau of Labor Statistics."

<sup>3</sup> Data from U.S. Department of Labor and eia.gov; January 2022.

# Volatility

## Will there be a bumpy ride?

Losses in the market, especially when retirement is near, may substantially reduce retirement savings and reduce retirement income potential.

### In these two hypothetical scenarios, both Mr. Green and Mr. Blue:

- Have received a portfolio average annual rate of return of 6% that grows to the same value after 25 years of investing.
- Are experiencing different sequences of returns in their retirement portfolios.
- Have not taken any withdrawals.

“Up” market — Mr. Green			“Down” market — Mr. Blue		
Age	Annual return	Year-end value	Age	Annual return	Year-end value
65	—	\$1,000,000	65	—	\$1,000,000
66	5%	\$1,050,000	66	-25%	\$750,000
67	28%	\$1,344,000	67	-14%	\$645,000
68	22%	\$1,639,680	68	-10%	\$580,500
69	-5%	\$1,557,696	69	16%	\$673,380
70	20%	\$1,869,235	70	21%	\$814,790
71	19%	\$2,224,390	71	5%	\$855,529
72	23%	\$2,736,000	72	-16%	\$718,645
73	9%	\$2,982,240	73	8%	\$776,136
74	16%	\$3,459,398	74	14%	\$884,795
75	23%	\$4,255,059	75	24%	\$1,097,146
76	22%	\$5,191,172	76	14%	\$1,250,747
77	-26%	\$3,841,468	77	5%	\$1,313,284
78	-15%	\$3,265,247	78	-15%	\$1,116,291
79	5%	\$3,428,510	79	-26%	\$826,056
80	14%	\$3,908,501	80	22%	\$1,007,788
81	24%	\$4,846,541	81	23%	\$1,239,579
82	14%	\$5,525,057	82	16%	\$1,437,912
83	8%	\$5,967,062	83	9%	\$1,567,324
84	-16%	\$5,012,332	84	23%	\$1,927,808
85	5%	\$5,262,949	85	19%	\$2,294,092
86	21%	\$6,368,168	86	20%	\$2,752,910
87	16%	\$7,387,075	87	-5%	\$2,615,264
88	-10%	\$6,648,367	88	22%	\$3,190,623
89	-14%	\$5,717,596	89	28%	\$4,083,997
90	-25%	<b>\$4,288,197</b>	90	5%	<b>\$4,288,197</b>
Average return		<b>6%</b>	Average return		<b>6%</b>

This example is a hypothetical intended for illustrative purposes only and is not indicative of the actual performance of any particular product. These figures are not intended to represent the performance of any specific investment, insurance contract or other financial product. This example does not take into account the impact of any fees or taxes.

Once Mr. Green and Mr. Blue begin to take withdrawals, the sequence of returns has a significant impact on their portfolios' values. That is true even though their average rate of return is the same.

- Mr. Green has begun his withdrawals in an up market. This allows him to enjoy an optimal environment to maintain his portfolio value.
- Mr. Blue, on the other hand, is not so lucky. His decision to withdraw in a down market may deplete his portfolio more quickly than he anticipated.

### What you can do:

Ask a financial professional about strategies available to help address volatility concerns.

"Up" market — Mr. Green				"Down" market — Mr. Blue			
Age	5% annual withdrawals	Annual return	Year-end value	Age	5% annual withdrawals	Annual return	Year-end value
65	—	—	\$1,000,000	65	—	—	\$1,000,000
66	\$50,000	5%	\$1,000,000	66	\$50,000	-25%	\$700,000
67	\$50,000	28%	\$1,230,000	67	\$50,000	-14%	\$552,000
68	\$50,000	22%	\$1,450,600	68	\$50,000	-10%	\$446,800
69	\$50,000	-5%	\$1,328,070	69	\$50,000	16%	\$468,288
70	\$50,000	20%	\$1,543,684	70	\$50,000	21%	\$516,628
71	\$50,000	19%	\$1,786,984	71	\$50,000	5%	\$492,460
72	\$50,000	23%	\$2,147,990	72	\$50,000	-16%	\$363,666
73	\$50,000	9%	\$2,291,309	73	\$50,000	8%	\$342,760
74	\$50,000	16%	\$2,607,919	74	\$50,000	14%	\$340,746
75	\$50,000	23%	\$3,157,740	75	\$50,000	24%	\$372,525
76	\$50,000	22%	\$3,802,443	76	\$50,000	14%	\$374,679
77	\$50,000	-26%	\$2,763,808	77	\$50,000	5%	\$343,412
78	\$50,000	-15%	\$2,299,237	78	\$50,000	-15%	\$241,901
79	\$50,000	5%	\$2,364,199	79	\$50,000	-26%	\$129,006
80	\$50,000	14%	\$2,645,186	80	\$50,000	22%	\$107,388
81	\$50,000	24%	\$3,230,031	81	\$50,000	23%	\$82,087
82	\$50,000	14%	\$3,632,235	82	\$50,000	16%	\$45,221
83	\$50,000	8%	\$3,872,814	83	\$49,291	9%	\$0
84	\$50,000	-16%	\$3,203,164	84	\$0	23%	\$0
85	\$50,000	5%	\$3,313,322	85	\$0	19%	\$0
86	\$50,000	21%	\$3,959,120	86	\$0	20%	\$0
87	\$50,000	16%	\$4,542,579	87	\$0	-5%	\$0
88	\$50,000	-10%	\$4,038,321	88	\$0	22%	\$0
89	\$50,000	-14%	\$3,422,956	89	\$0	28%	\$0
90	\$50,000	-25%	\$2,517,217	90	\$0	5%	\$0
Average return <b>6%</b>				Average return <b>6%</b>			

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# Interest rates

## Are earnings on savings enough in the current environment?

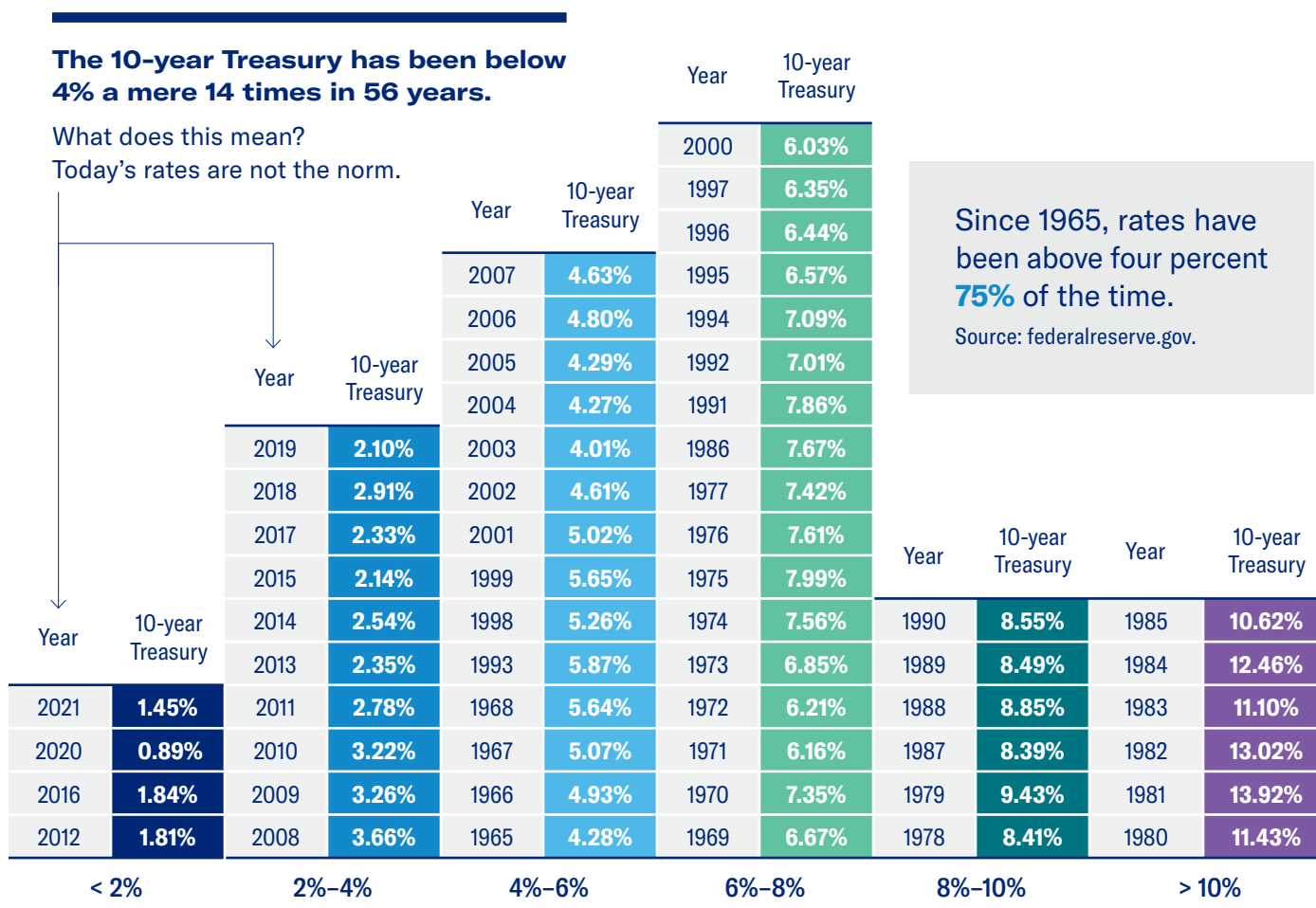
Interest rates continue to linger at historical lows and may continue to reduce the growth of retirement funds. It's important for investors to work with their financial professional and consider being in a situation where they can take advantage of interest rates when, and if they do, rise.

## Annual 10-year Treasury yields 1965–2021 in more detail

**The 10-year Treasury has been below 4% a mere 14 times in 56 years.**

What does this mean?

Today's rates are not the norm.



Information accurate through December 31, 2021. Source: federalreserve.gov. There is no guarantee that historical trends will continue in the future.

### What you can do:

Ask a financial professional about strategies that can help address low interest rate concerns.

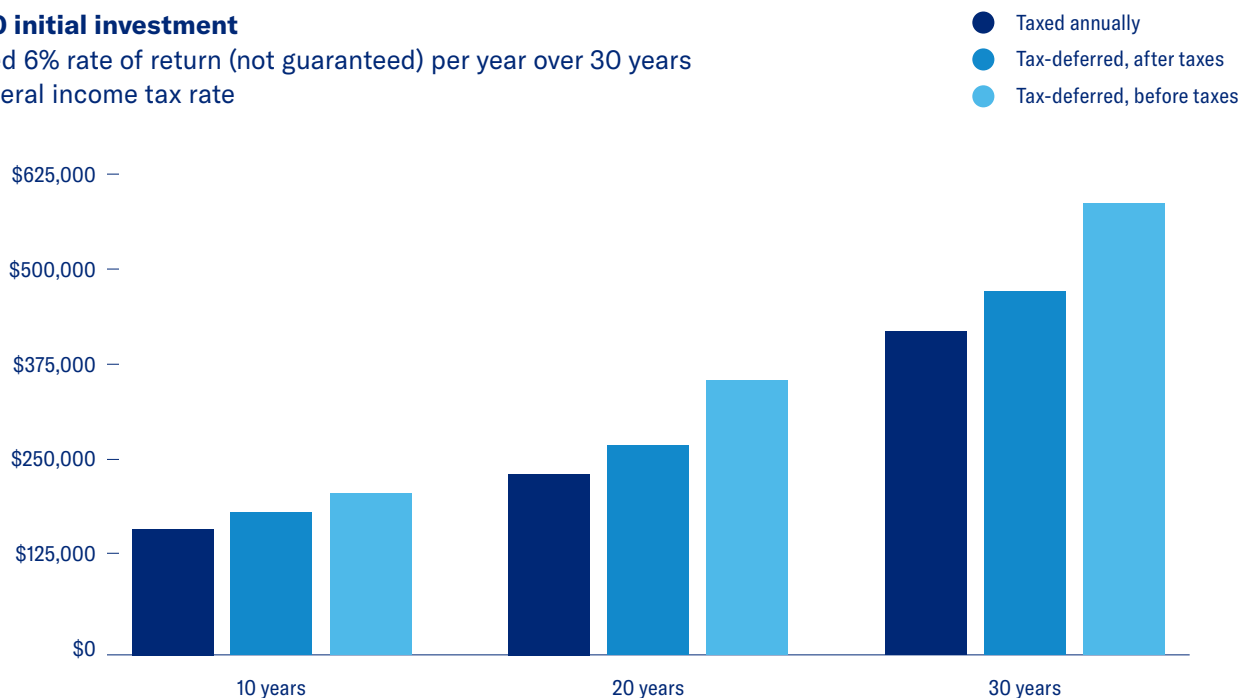
# Taxes

**The impact of your annual taxes can quietly “eat away” at net returns over time. This can significantly impact the value of investment earnings.**

## The advantages of tax-deferred compounding

### \$100,000 initial investment

- Assumed 6% rate of return (not guaranteed) per year over 30 years
- 24% federal income tax rate



### What you can do:

Speak with a financial professional about tax deferral opportunities for savings and investment earnings until it is time to withdraw.

This hypothetical chart does not represent actual performance of any specific product or investment. Withdrawals of tax-deferred earnings are subject to ordinary income tax. A 10% federal tax may also apply if you take the withdrawal before you reach age 59½. Dividends and sales profits on annually taxed investments are generally taxed at capital gains tax rates, which can be lower than ordinary federal income tax rates. Using capital gains tax rates with the investment taxed annually would reduce the difference between the annually taxed and tax-deferred accounts shown above.

Please note that this chart excludes expenses associated with the Retirement Cornerstone® 19 variable annuity, including the administration, distribution and operations fee (1.30%) for Series B, and the portfolio expense charge (0.55% — EQ/Equity 500 Index) as of May 1, 2022. If expenses had been reflected, the tax-deferred amounts would be lower.

Consider your personal investment horizon and income tax bracket, both current and anticipated, when making an investment decision. These factors, as well as

changes in tax rates and the treatment of investment earnings, may further affect the results of this comparison.

Actual results will vary. Rates of return will vary over time, particularly for long-term investments. Investments offering the potential for higher rates of return also involve a higher level of risk.

This fictional and hypothetical example is intended for illustrative purposes only, is not indicative of actual product performance or contract owner outcome or experience, or as a product or investment recommendation of any kind. This example does not take into account the impact of any contract fees.

Please note that for this example, the expenses from the Retirement Cornerstone® variable annuity are noted here to provide an idea of how returns could be affected if a tax-deferred product is purchased. Annuities are long-term retirement products that can help protect you against the risk of outliving your assets.

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We believe the key to retirement planning is having a solid understanding of LIVIT — important challenges facing investors as they plan to save — after all, the best offense is a good defense. In our history of more than 160 years, we have continued to offer innovative and responsible products that can help address retirement challenges. You should talk to your financial professional about your financial needs.

**Visit [retirementguide.equitable.com](https://retirementguide.equitable.com) for more information.**

A variable annuity is a long-term financial product designed for retirement purposes. In essence, an annuity is a contractual agreement in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump-sum amount at a later date. Typically, variable annuities have mortality and expense charges, account fees, investment management fees, administrative fees and charges for special contract features. In addition, annuity contracts are subject to certain limitations and restrictions. Distributions taken prior to annuitization are generally considered to come from the gain in the contract first. If the contract is tax-qualified, generally all withdrawals are treated as distributions of gain. Withdrawals of gain are taxed as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax. Withdrawals may also be subject to a contractual withdrawal charge.

Variable annuities are subject to investment risks, including the possible loss of principal invested.

The Retirement Cornerstone® variable annuity features two accounts in a single tax-deferred product — one provides the opportunity for growth and the other can provide guaranteed retirement income through the optional Guaranteed Minimum Income Benefit (GMIB), which is tied to the 10-year U.S. Treasury rate. Variable annuities have mortality and expense charges, account fees, investment management fees, administrative fees and charges for special contract features.

***Please consider the charges, risks, expenses and investment objectives carefully before purchasing a variable annuity. For a prospectus containing this and other information, please contact a financial professional. Read it carefully before you invest or send money.***

Variable annuities contain certain restrictions and limitations. Please contact a financial professional for complete details.

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If you are purchasing an annuity contract to fund an Individual Retirement Account (IRA) or employer-sponsored retirement plan, you should be aware that such annuities do not provide tax deferral benefits beyond those already provided by the Internal Revenue Code. Before purchasing one of these annuities, you should consider whether its features and benefits beyond tax deferral meet your needs and goals. You may also want to consider the relative features, benefits and costs of these annuities with any other investment that you may use in connection with your retirement plan or arrangement.

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