EQUITABLE

Investment Edge®
variable annuity

Take control of your inherited nonqualified annuity

Income Edge Beneficiary Advantage offers freedom to choose payment timeframe.

Investment Edge® is an innovative retirement strategy designed to take advantage of smart diversification and tax-deferred growth potential in your wealth-building years, followed by tax-efficient distributions when you need retirement income. This product is designed for investors who want tax-deferred growth potential as they seek wealth for retirement and other life goals. Investment activity in Investment Edge® does not generate current income taxes, allowing for greater wealth-building opportunities than taxable accounts can offer.

When you inherit a nonqualified (NQ) investment, like an annuity, you're often limited as to what you can do or how you can take the money. We want to change that with Income Edge Beneficiary Advantage — a no-fee program within the Investment Edge® variable annuity. Transferring your inherited NQ annuity contract to Investment Edge® is considered a 1035 exchange, a provision in the Internal Revenue Service code allowing you to transfer an annuity contract, tax-free, to another annuity. Equitable Financial and Equitable America consistently emphasized the importance and benefits of existing annuity contracts. However, in some cases, it may be appropriate and in your best interest to replace or change an existing annuity, or to transfer some or all annuity contract values into another contract. In other cases, the disadvantages of replacing, changing or transferring a contract may outweigh the benefits of the new contract. Please discuss a full and complete comparison of the existing and proposed products with your financial professional.

In these four hypothetical examples, each person has inherited an NQ annuity. Which option they choose for their payments can affect when they get their money, when they pay their taxes and whether their tax bracket is raised as a result.

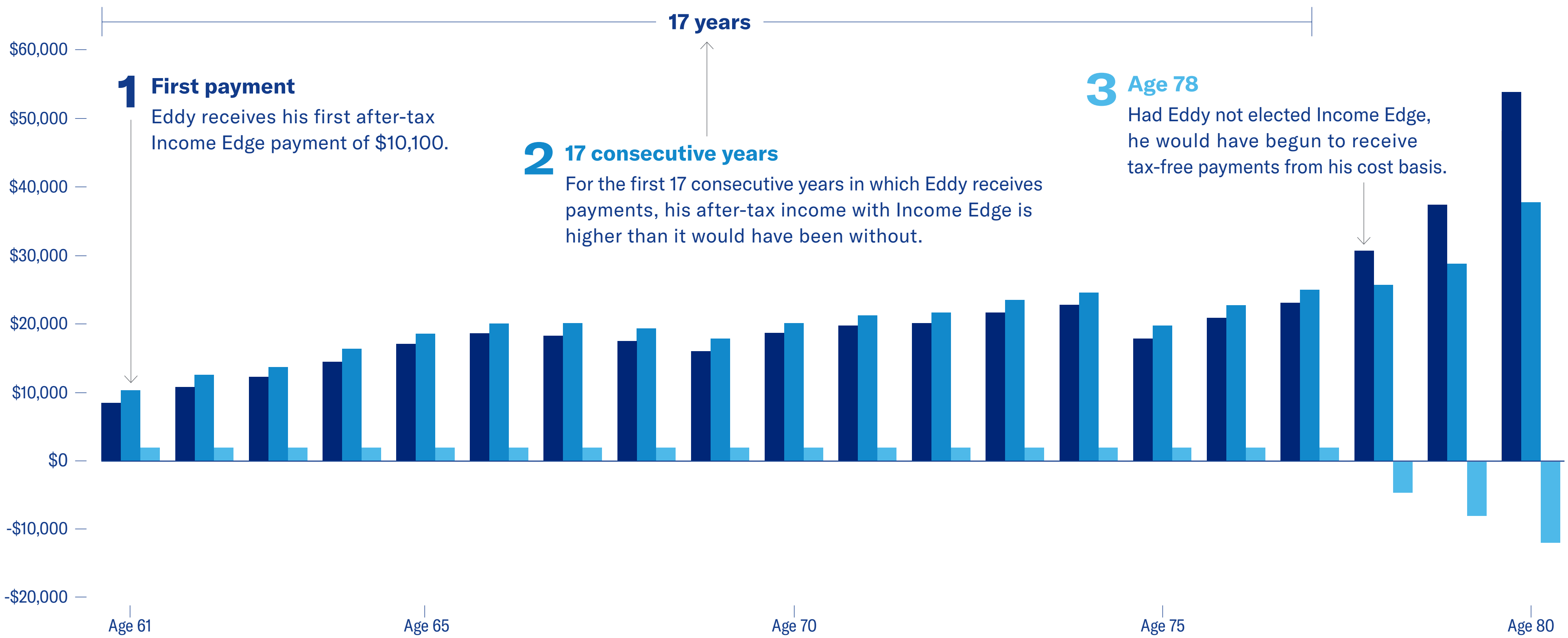
	Lump sum	5-year payout	Life stretch	Efficient method
Which person do you want to be?	**Johnny**	**Franny**	**Larry**	**Eddy**
Option chosen	Lump-sum payout where all gains are instantly taxed.	• Spread or defer taxes over 5 years. • No scheduled payments, but all must be withdrawn within 5 years. • All taxes are paid on the beginning payments taken (LIFO — last in, first out).	• Payouts are spread over his life. • Any gains are taxed first (LIFO — last in, first out).	NQ stretch and Income Edge Beneficiary Advantage payment plan where Equitable offers tax-efficient distributions instead of the LIFO method.
Hypothetical scenario	Johnny is immediately taxed on the full gain in the account. This would increase his taxable income for both federal and state purposes and could place him in a higher tax bracket than he would otherwise be in by choosing this option.	Franny can hold off on taking payments and therefore delay paying taxes for 5 years, but if her account grows, her tax liability on this money continues to increase and she'll have to pay all of the taxes at the end of the 5 years.	Larry's life expectancy is calculated and his payments are spread across that set timeframe. There's no flexibility to change anything once the payments begin. He pays taxes on all of the beginning payments until he gets to his cost basis amount.	Eddy is able to spread the tax burden over a period of his choosing, anywhere from 10 years to life expectancy. Our Income Edge payment program allows clients to better control taxes by receiving each payment as part principal and part gain.

A closer look

With Income Edge inside of Investment Edge®, you can choose the timeframe you want to receive your payments instead of being told what that schedule will be. And, payments will be distributed in a tax-efficient manner, with an equal portion of the cost basis distributed in each payment. Take a look at how this tax-efficient and flexible distribution option works.

In this hypothetical example, **Eddy** elects the Income Edge feature (efficient method) and chooses income over a 20-year time period. The NQ contract Eddy inherited had a cost basis of $100,000, which grew to $250,000 by the time he inherited the contract.

- Distributions without Income Edge
- Distributions with Income Edge
- Difference in after-tax Income



By exercising the Income Edge feature, Eddy spreads out his tax burden and receives more after-tax income in the early years of distribution.

Note: Max issue age is 75. The chart above assumes a 32% tax rate and hypothetical investment scenario with a 7.77% Gross Rate of Return (5.71% net of fees). This hypothetical example should be read in conjunction with the full Investment Edge® illustration from which these values were taken. The full illustration includes hypothetical scenarios that consist of a 0% rate of return and maximum charges. This example is hypothetical and is not a projection or prediction of future investment returns. This example is designed to show how the performance of the underlying investment portfolio could affect contract values and contractual benefits over an extended period.

The bottom line

The Income Edge Beneficiary Advantage feature inside Investment Edge® is specifically designed for non-spousal beneficiaries who have inherited or will inherit NQ annuity assets. With this strategy, clients can access the smallest payment amount permitted by the current tax code AND take it one step further by receiving a portion of that payment tax-free.

Investment Edge® provides you with more **CHOICE,** more **FLEXIBILITY** and more **TAX CONTROL** through tax-free transfers and efficient distribution of annuity proceeds.

Keep in mind, Equitable can also accept inherited NQ contracts where distributions have already started.[1]

Important information

Your situation is unique to you. You should consult with your financial professional to ensure that a 1035 exchange is suitable and appropriate for you.

Important preconditions and requirements[2]

- This applies only to individual beneficiaries under an NQ deferred annuity contract issued by another life insurance company.
- The beneficiary must request a 1035 exchange into an inherited NQ contract issued by Equitable Financial and Equitable America in order to make post-death payments over a period measured by the beneficiary's life expectancy.
- Payments must start within 12 months of the decedent's death. If the life insurance company that issued the original annuity contract does not believe that this is a 1035 exchange and makes a payment to the beneficiary, or even if it does not make a payment to the beneficiary, but reports this transfer-of-values transaction as taxable, this contract is not available.
- If the transaction is timely and done before the 12-month anniversary of death, but the original life insurance company does not provide basis on the original annuity contract, the return of basis tax treatment is not available.
- The minimum required initial premium for the particular contract must be met.

To learn more about what Investment Edge® visit equitable.com/ie.

1 Subject to meeting contract requirements.
2 Preconditions and requirements listed on this flyer apply only to contracts that have not yet started distributions. If your client has started distributions, a different set of preconditions and requirements will need to be applied before issuing a contract. Please reach out to your Equitable wholesaler for more information.

About Investment Edge®:
The Investment Edge® variable annuity contract is a long-term financial product used for retirement purposes. There are fees and charges associated with a variable annuity contract, which include, but are not limited to, operations charges, sales and withdrawal charges, and administrative fees. Withdrawals from annuities are subject to ordinary income tax. Withdrawals from Investment Edge® may also be subject to a contractual withdrawal charge. Variable annuities are subject to market risk, including loss of principal. Investment Edge® is issued by Equitable Financial and Equitable America and is co-distributed by affiliates Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN) and Equitable Distributors, LLC.

About Income Edge:
Income Edge is available for no additional fee and allows investors in NQ contracts to elect a customized payment program and generally receive higher after-tax income on a monthly, quarterly or annual basis than if contract were annuitized under traditional options. When elected, Income Edge is designed to pay out the entire account value via scheduled payments over a set period of time. A portion of each payment is a return of your cost basis, and thus excludable from taxes. This tax-free amount is calculated by dividing the remaining cost basis by the number of years in the payment period selected and will not change once calculated.

Once the contract owner begins taking payments, they may not stop the payments. The contract owner can take additional withdrawals, subject to ordinary income tax, and the contract can be fully redeemed for the then-current account value net of applicable withdrawal charges. The Income Edge payment program does not represent a life-contingent annuitization of the Investment Edge® contract. With a life-contingent annuitization, the account value is applied to provide periodic payments for life and the Investment Edge® contract and all its benefits terminate. After Income Edge election, withdrawals in addition to Income Edge payments are fully taxable and if they are in excess of the annual 10% free withdrawal amount, will be subject to a withdrawal charge, if applicable. Any specified form of death payout that you have selected will be invalidated after Income Edge is elected.

The Investment Edge® variable annuity is sold by prospectus only, which contains more complete information about the contract, including risks, charges, expenses and investment objectives. You should review the prospectus carefully before sending any money. Contact a financial professional for a copy of the current prospectus.

This case study was prepared to support the promotion and marketing of the Investment Edge® variable annuity. Equitable Financial, Equitable America, their distributors and their respective representatives do not provide tax, accounting or legal advice. Any statements contained herein are not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on the taxpayer. Your clients should consult their own tax and legal advisors regarding their individual circumstances. All annuity contract and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are backed by the claims-paying ability of the issuing life insurance company. They are not backed by the broker/dealer, by the insurance agency or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

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