

NON - QUALIFIED STRETCH ILLUSTRATION



Prepared for

MRS. CASE SAMPLE

Prepared by

CARLOS RASMUSSEN | *email* CARLOSR@RASMUSSENCAPITALMANAGEMENT.COM

NON-QUALIFIED STRETCH ILLUSTRATION

Legacy planning can be complicated by the tax impact on inherited wealth. Regulations governing the design of variable annuities offer some relief. In particular, the non-qualified stretch provision makes it possible to save money, tax deferred, and then convert (or 'stretch') that investment into an income stream for heirs in the form of RMDs (required minimum distributions). The net benefit is that as your beneficiaries are getting income, the investment is liquid*, remains invested, and is taxed only as it is distributed (at their tax rates). 'Stretching' may allow you to provide them income for decades to come.

Page through this proposal to see how stretching your variable annuity investment may benefit future generations. If you invested in the flat-fee Monument Advisor variable annuity with after-tax dollars (non-qualified), you won't need to take required minimum distributions, so your initial investment may grow unencumbered by excessive fees you might expect from traditional VAs, and withdrawals. Could you and your heirs benefit from stretching that asset across generations, or simply gifting it all in one lump sum? Visit us: www.nationwideadvisory.com to learn more.

Assumptions

Beginning Annuity Value: \$600,000.00 | Annual Growth Rate Assumption: 6% | Owner/Annuitant's Current Age: 66 | Owner/Annuitant's Planning Horizon Age: 90 | Advisor Fee: 2.000 | State: WA | Additional Contributions: No | Additional Withdrawals: No | Beneficiary 1: Son #1 (45) 34% Allocation, 33% Federal Tax Rate, 0% State Tax Rate | Beneficiary 2: Son #2 (40) 33% Allocation, 28% Federal Tax Rate, 0% State Tax Rate | Beneficiary 3: Daughter (31) 33% Allocation, 35% Federal Tax Rate, 0% State Tax Rate

* Withdrawals made prior to age 59½ may incur a 10% IRS tax penalty.

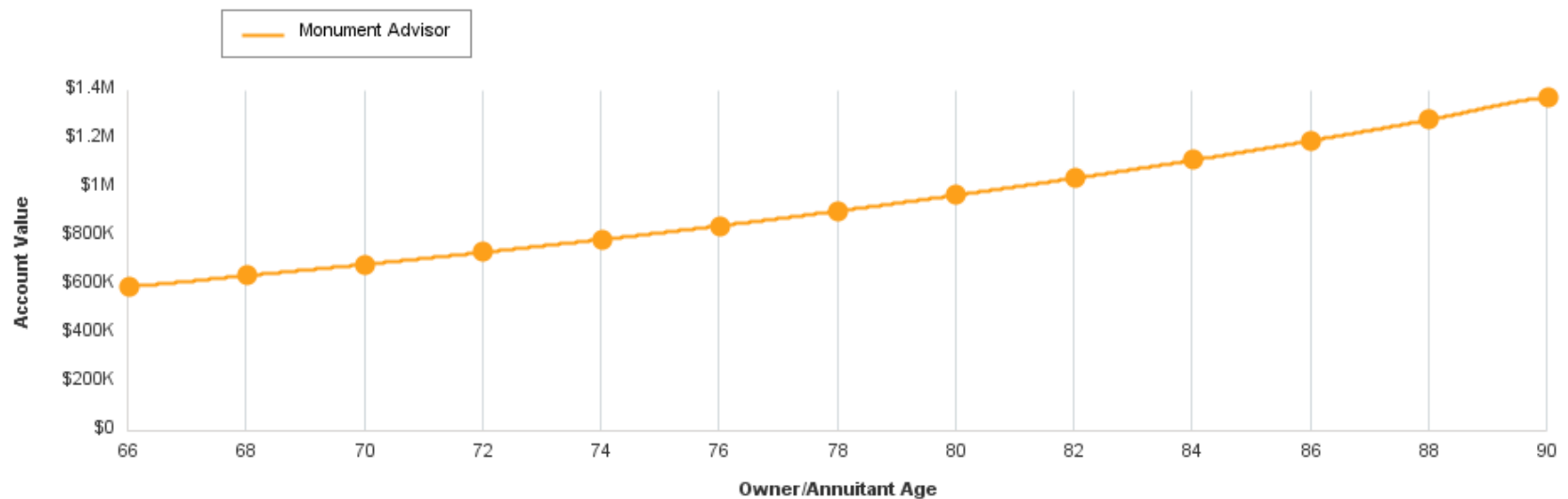
Accumulated value over owner/annuitant's investment horizon

Monument Advisor could generate

\$1,375,222.93

in Accumulated Value over 24 years

Projection based on an assumed annual growth rate of 6%, initial investment of \$600,000.00, 0 additional contributions and 0 withdrawals.



Accumulated value over owner/annuitant's investment horizon



The "accumulated value" chart shows the amount of money accumulated in the Monument Advisor flat-fee variable annuity over the owner/annuitant's investment horizon. Annual product fees, insurance, and withdrawals in this accumulation phase can negatively impact accumulation. However, since Monument Advisor's fee is flat, the cost doesn't grow as the asset grows (as with traditional variable annuities). And the less money you need to withdraw from this investment, the better the investment may perform. The table below offers an incremental look at the growth of the investment during this accumulation period.

Year	Age	Contribution/ (Withdrawal)	Insurance Fees	Rider/Other Fees	Advisor Fees	Account Value
0	66	\$600,000.00	-	-	-	\$600,000.00
2	68	\$0.00	\$0.00	\$2,304.28	\$13,121.20	\$642,938.95
4	70	\$0.00	\$0.00	\$2,469.18	\$14,060.22	\$688,950.83
6	72	\$0.00	\$0.00	\$2,645.89	\$15,066.44	\$738,255.54
8	74	\$0.00	\$0.00	\$2,835.24	\$16,144.67	\$791,088.74
10	76	\$0.00	\$0.00	\$3,038.14	\$17,300.06	\$847,702.94
12	78	\$0.00	\$0.00	\$3,255.57	\$18,538.14	\$908,368.74
14	80	\$0.00	\$0.00	\$3,488.55	\$19,864.82	\$973,376.07
16	82	\$0.00	\$0.00	\$3,738.21	\$21,286.44	\$1,043,035.65
18	84	\$0.00	\$0.00	\$4,005.74	\$22,809.80	\$1,117,680.42
20	86	\$0.00	\$0.00	\$4,292.41	\$24,442.19	\$1,197,667.13
22	88	\$0.00	\$0.00	\$4,599.59	\$26,191.39	\$1,283,378.08
24	90	\$0.00	\$0.00	\$4,928.76	\$28,065.77	\$1,375,222.93

Beneficiary Son #1: RMDs and Account Value

Monument Advisor could generate

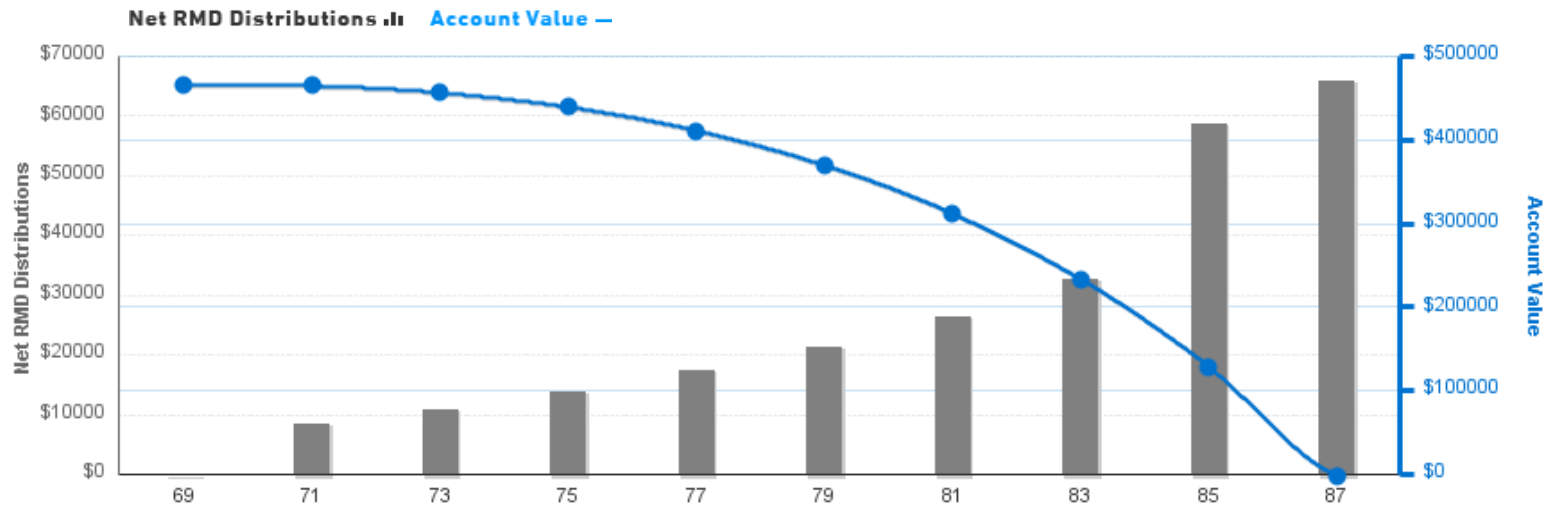
\$486,210.08

in Total Net Distributions over 18 years

\$27,011.67

in post-tax annual income

Projection based on an assumed annual growth rate of 6%.



Beneficiary Son #1: Calculated RMDs



The required minimum distribution chart illustrates how your legacy may impact your beneficiary for the life of the investment. In this case, your \$600,000.00 investment could grow to \$1,375,222.93 over 24 years. Stretching your investment to this beneficiary may then allow you to provide \$486,210.08 in additional income to them over a 18-year span. By stretching the investment, you are able to keep it invested in the market, where the total distributions across beneficiaries totaled \$1,595,667.25. And because we allow you to determine how the money is distributed, you are able to ensure that your heirs receive the money however you intend.

Year	Age	Total RMD*	Tax	Insurance Fees	Rider/Other Fees	Net Distribution	Account Value
24	69	-	\$0.00	-	-	\$0.00	\$467,575.80
25	70	\$26,268.30	\$8,668.54	\$0.00	\$1,734.71	\$7,721.85	\$467,627.34
26	71	\$27,834.96	\$9,185.54	\$0.00	\$1,734.90	\$8,770.42	\$466,115.12
27	72	\$29,500.96	\$9,735.32	\$0.00	\$1,729.29	\$9,918.59	\$462,851.78
28	73	\$31,273.77	\$10,320.34	\$0.00	\$1,717.18	\$11,175.31	\$457,631.94
29	74	\$33,161.73	\$10,943.37	\$0.00	\$1,697.81	\$12,550.52	\$450,230.31
30	75	\$35,174.24	\$11,607.50	\$0.00	\$1,670.35	\$14,055.27	\$440,399.53
31	76	\$37,321.99	\$12,316.26	\$0.00	\$1,633.88	\$15,701.94	\$427,867.62
32	77	\$39,617.37	\$13,073.73	\$0.00	\$1,587.39	\$17,504.59	\$412,334.92
33	78	\$42,074.99	\$13,884.75	\$0.00	\$1,529.76	\$19,479.34	\$393,470.26
34	79	\$44,712.53	\$14,755.13	\$0.00	\$1,459.77	\$21,645.02	\$370,906.17
35	80	\$47,552.07	\$15,692.18	\$0.00	\$1,376.06	\$24,024.20	\$344,232.41
36	81	\$50,622.41	\$16,705.40	\$0.00	\$1,277.10	\$26,644.83	\$312,986.84
37	82	\$53,963.25	\$17,807.87	\$0.00	\$1,161.18	\$29,543.28	\$276,641.62
38	83	\$57,633.67	\$19,019.11	\$0.00	\$1,026.34	\$32,770.28	\$234,580.10
39	84	\$61,731.61	\$14,448.92	\$0.00	\$870.29	\$42,326.99	\$186,053.01
40	85	\$66,447.50	\$3,456.06	\$0.00	\$690.26	\$59,060.92	\$130,078.43
41	86	\$72,265.80	\$2,416.30	\$0.00	\$482.59	\$67,101.49	\$65,134.75
42	87	\$68,801.19	\$1,209.92	\$0.00	\$241.65	\$66,215.24	\$0.00

* In the interest of simplicity, the Total RMD is calculated based on the account value at the end of the prior year and the life expectancy factor for the beneficiary. The advisor fee reduces the RMD amount and the remaining RMD amount represents the withdrawal from the account to complete the RMD. Taxes deducted reflect the tax liability for the Total RMD. This is deducted from the remaining RMD amount and the beneficiary receives the Net Distribution.

Beneficiary Son #2: RMDs and Account Value

Monument Advisor could generate

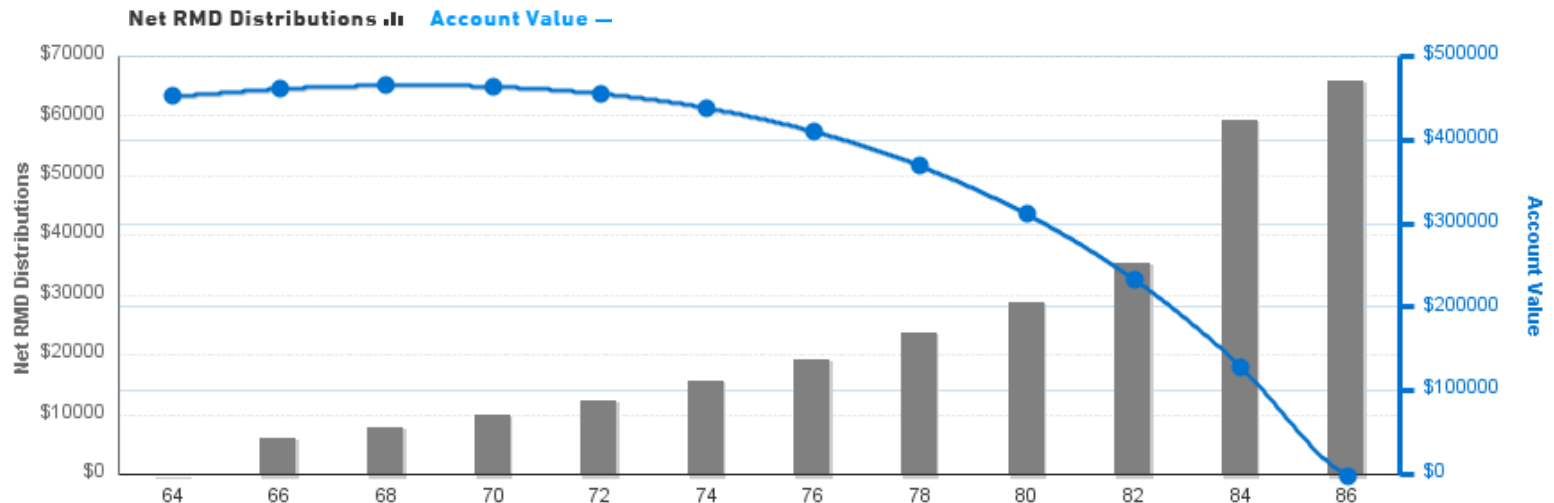
\$541,119.91

in Total Net Distributions over 22 years

\$24,596.36

in post-tax annual income

Projection based on an assumed annual growth rate of 6%.



Beneficiary Son #2: Calculated RMDs



Stretching your investment to this beneficiary may then allow you to provide \$541,119.91 in additional income to them over a 22-year span.

Year	Age	Total RMD*	Tax	Insurance Fees	Rider/Other Fees	Net Distribution	Account Value
24	64	-	\$0.00	-	-	\$0.00	\$453,823.57
26	66	\$22,045.75	\$6,172.81	\$0.00	\$1,701.23	\$6,185.67	\$462,317.82
28	68	\$24,733.63	\$6,925.42	\$0.00	\$1,725.12	\$7,984.88	\$466,433.09
30	70	\$27,766.93	\$7,774.74	\$0.00	\$1,730.66	\$10,137.33	\$464,975.98
32	72	\$31,197.34	\$8,735.25	\$0.00	\$1,712.98	\$12,707.87	\$456,513.53
34	74	\$35,088.28	\$9,824.72	\$0.00	\$1,666.27	\$15,775.33	\$439,323.24
36	76	\$39,520.55	\$11,065.75	\$0.00	\$1,583.51	\$19,437.84	\$411,327.22
38	78	\$44,603.26	\$12,488.91	\$0.00	\$1,456.21	\$23,822.29	\$369,999.72
40	80	\$50,498.70	\$14,139.64	\$0.00	\$1,273.98	\$29,104.65	\$312,221.93
42	82	\$57,492.82	\$16,097.99	\$0.00	\$1,023.83	\$35,564.84	\$234,006.81
44	84	\$66,285.11	\$2,925.25	\$0.00	\$688.57	\$59,438.95	\$129,760.53
46	86	\$68,633.04	\$1,024.09	\$0.00	\$241.06	\$66,236.29	\$0.00

* In the interest of simplicity, the Total RMD is calculated based on the account value at the end of the prior year and the life expectancy factor for the beneficiary. The advisor fee reduces the RMD amount and the remaining RMD amount represents the withdrawal from the account to complete the RMD. Taxes deducted reflect the tax liability for the Total RMD. This is deducted from the remaining RMD amount and the beneficiary receives the Net Distribution.

Beneficiary Daughter: RMDs and Account Value

Monument Advisor could generate

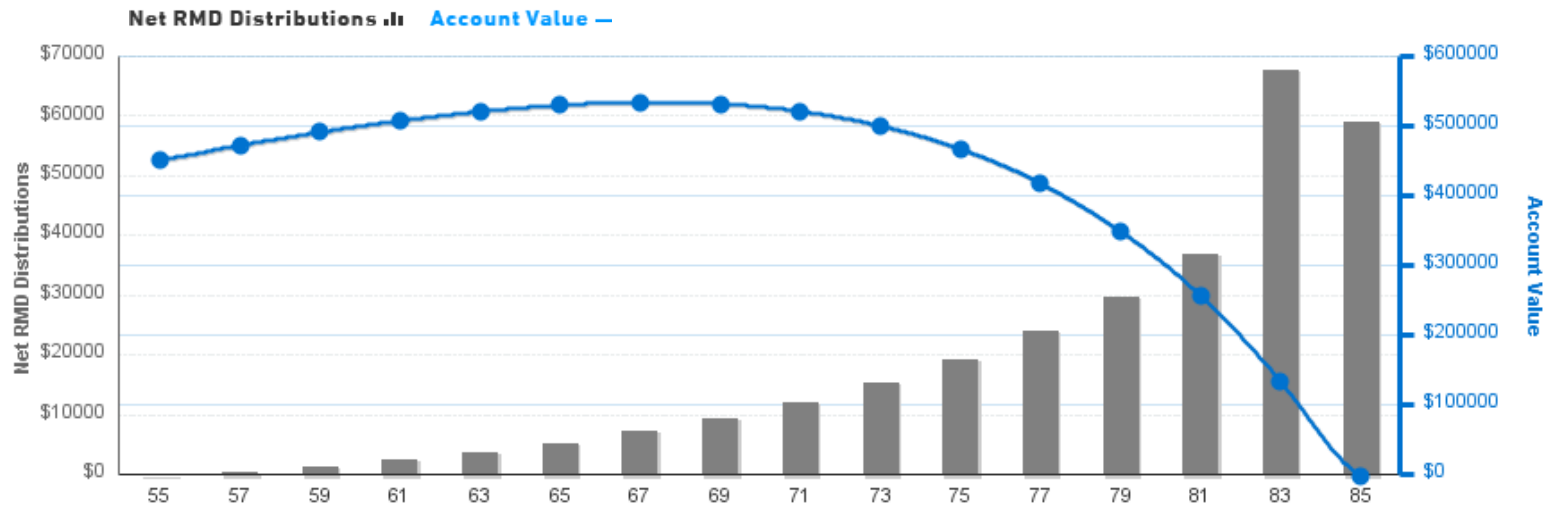
\$568,337.26

in Total Net Distributions over 30 years

\$18,944.58

in post-tax annual income

Projection based on an assumed annual growth rate of 6%.



Beneficiary Daughter: Calculated RMDs



Stretching your investment to this beneficiary may then allow you to provide \$568,337.26 in additional income to them over a 30-year span.

Year	Age	Total RMD*	Tax	Insurance Fees	Rider/Other Fees	Net Distribution	Account Value
24	55	-	\$0.00	-	-	\$0.00	\$453,823.57
26	57	\$16,225.08	\$5,678.78	\$0.00	\$1,721.58	\$743.14	\$473,933.00
28	59	\$18,174.41	\$6,361.04	\$0.00	\$1,793.56	\$1,600.32	\$492,477.59
30	61	\$20,364.30	\$7,127.50	\$0.00	\$1,858.57	\$2,653.58	\$508,796.59
32	63	\$22,826.44	\$7,989.25	\$0.00	\$1,913.91	\$3,938.86	\$522,089.88
34	65	\$25,597.45	\$8,959.11	\$0.00	\$1,956.31	\$5,498.55	\$531,392.18
36	67	\$28,720.02	\$10,052.01	\$0.00	\$1,981.85	\$7,382.77	\$535,542.06
38	69	\$32,244.53	\$11,285.59	\$0.00	\$1,985.81	\$9,651.17	\$533,144.41
40	71	\$36,231.45	\$12,681.01	\$0.00	\$1,962.51	\$12,375.33	\$522,523.97
42	73	\$40,755.24	\$14,264.33	\$0.00	\$1,905.14	\$15,642.47	\$501,666.55
44	75	\$45,911.15	\$16,068.90	\$0.00	\$1,805.50	\$19,561.21	\$468,141.08
46	77	\$51,828.84	\$18,140.09	\$0.00	\$1,653.65	\$24,272.39	\$418,989.23
48	79	\$58,703.63	\$20,546.27	\$0.00	\$1,437.42	\$29,972.30	\$350,549.56
50	81	\$66,887.80	\$23,410.73	\$0.00	\$1,141.51	\$36,977.00	\$258,115.59
52	83	\$77,286.98	\$4,990.09	\$0.00	\$745.51	\$68,051.74	\$134,970.42
54	85	\$61,488.11	\$1,146.85	\$0.00	\$215.96	\$59,111.50	\$0.00

* In the interest of simplicity, the Total RMD is calculated based on the account value at the end of the prior year and the life expectancy factor for the beneficiary. The advisor fee reduces the RMD amount and the remaining RMD amount represents the withdrawal from the account to complete the RMD. Taxes deducted reflect the tax liability for the Total RMD. This is deducted from the remaining RMD amount and the beneficiary receives the Net Distribution.

Key Takeaways

Monument Advisor could generate
\$1,375,222.93
in Accumulated Value over 24 years

Stretching the Investment May Allow it to
Provide
\$1,595,667.25
in Post-Tax Income for Your Heirs

STRETCHING AN INHERITED NON-QUALIFIED VARIABLE ANNUITY

When inheriting a non-qualified annuity, beneficiaries may choose to take a lump sum, 5-year payout, annuitize, or "stretch" payments over her/his life expectancy(s). Many people choose the stretch option because it allows for greater flexibility, liquidity, and the potential for more tax-deferred accumulation throughout their lifetimes. Also, stretching an annuity can prevent the massive tax burden of taking a large lump sum when transferring the wealth. Because Monument Advisor's costs are low, and the underlying fund selection so large, your heirs may then continue to benefit from the compounding power of low-cost tax deferral, while managing their investment for optimal performance.

REQUIRED MINIMUM DISTRIBUTIONS

Required Minimum Distributions (RMDs) are mandated by the IRS for annuity beneficiaries who choose the "stretch" option. RMDs are the minimum amount of money beneficiaries are required to withdraw in a given year, and are calculated based on their life expectancy. RMD amounts will increase as they age, and your beneficiaries can rely on these income streams alone, while enjoying the flexibility to take other withdrawals. But, you also have the option to restrict your beneficiaries' choices to ONLY the stretch provision, and further restrict withdrawals to ensure that your legacy lasts as long as you intend. Ask your advisor about this "restricted stretch" option, and determine how much control you want to offer your beneficiaries.

Products are issued in all states, except NY, by Jefferson National Life Insurance Company (Louisville, KY). In New York, the Monument Advisor variable annuity is issued by Jefferson National Life Insurance Company of New York (New York, NY). The general distributor is Jefferson National Securities Corporation, [FINRA](#) member. All companies are affiliates of Nationwide Life Insurance Company.

Stretching is suitable for individuals who will not need the money in the account for their own retirement. There are risks associated with stretching, such as changes to tax laws and the impact of inflation.

The information contained herein is not warranted to be accurate, complete or timely. The Company is not responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The Company has not independently verified the accuracy of this data. Please contact your financial advisor for more information. The above charts and tables reflect a hypothetical illustration based on the information provided in the calculator (ranging from 0% - 12%). Returns are hypothetical and not a projection or prediction of investment results. Estimated annual accumulation assumes the contract value grows at the rate you entered in the calculator and excludes any differences in underlying fund charges. Estimated Required Minimum Distributions are calculated based on the estimated growth rate, the beneficiary's age, and the beneficiary's life expectancy factor. The accumulation and distribution values shown do not reflect the deduction of underlying fund charges. If included, the values would be lower than those shown. Accumulation and distribution values do, however, factor in Monument Advisor's \$240 annual flat fee.

Life expectancy factors for these calculations were gathered from IRS Publication 590-B (2015) "Distributions from Individual Retirement Arrangements (IRAs)," Appendix B, Table I (Single Life Expectancy).

Monument Advisor has a \$20 monthly flat insurance fee. Additional low-cost fund platform fees ranging from .10% - .35% will be assessed for investors wishing to purchase shares of low-cost funds. See the prospectus for details. Certain low-cost funds may only be available to you if you retain certain investment advisors.

Review current annuity for loss of benefits or surrender charges you may incur. Monument Advisor does not provide enhanced living, death or withdrawal benefits. Until distributed, the Death Benefit amount in the investment portfolios is subject to investment risk.

An investor should carefully consider the investment objectives, risks, charges and expenses of the investment before investing or sending money. For a prospectus containing this and additional information, please contact your financial professional. Read it carefully before investing. The summary of product features is not intended to be all-inclusive. Restrictions may apply. The contracts have exclusions and limitations, and may not be available in all states or at all times.

Variable annuities are investments subject to market fluctuation and risk, including possible loss of principal. Your units, when you make a withdrawal or surrender, may be worth more or less than your original investment.

Variable annuities are long-term investments to help you meet retirement and other long-range goals. Withdrawal of tax-deferred accumulations are subject to ordinary income tax. Withdrawals made prior to age 59½ may incur a 10% IRS tax penalty. Jefferson National Life Insurance Company and Jefferson National Life Insurance Company of New York do not offer tax advice. Annuities are not deposits or obligations of, or guaranteed by any bank, nor are they FDIC insured.

Form #JNL201601-C005