# Athene Retirement Optimizer Instructions

Athene Retirement Optimizer (ARO) is a proprietary software application that can help you quantify a capital-efficient retirement income strategy that leverages guaranteed income and positions assets for future needs. The following will help you get started using the tool and provide helpful information about the output data.

Pro Tip: The power of using the Athene Retirement Optimizer tool is your ability to adjust assumptions and show clients the impact of different scenarios as you discuss retirement plans. Consider adding information to the tool before meeting, then reviewing the output on screen with the client. The data you'll need varies depending on your client, but generally includes date of birth, expected income in retirement, and Primary Insurance Amount from Social Security. Use the ARO Input Form (22958) to help gather data.
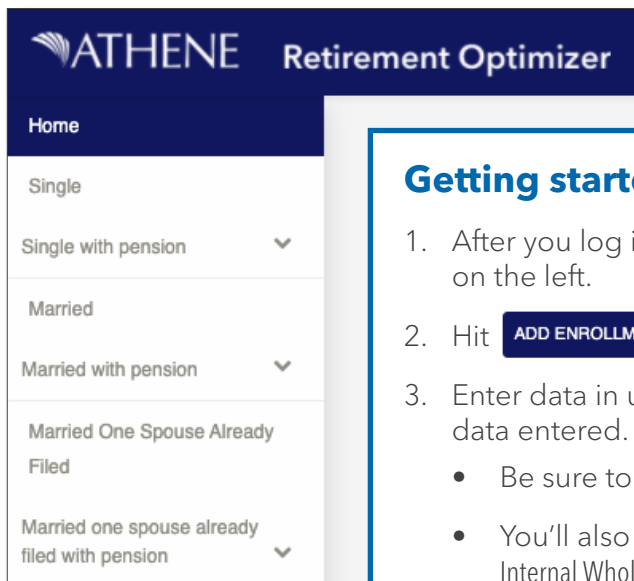
Getting started is easy.

1. After you log in, choose the type of scenario you want to run from the menu on the left.

2. Hit **ADD ENROLLMENT** in the upper right corner to enter client information.

3. Enter data in unshaded boxes. Shaded boxes are populated based on data entered.

   - Be sure to use the calendar to add date of birth, rather than type in data.

   - You'll also need to run an annuity illustration (or request one from your Athene Internal Wholesaler) to answer a few product questions.

4. You only need to input data on the Intake Data screen. The remaining screens (detailed on the following pages) compare and highlight different scenarios.

Pro Tip: The time has never been better to help clients maximize their Social Security income and develop a capital-efficient income strategy. Research shows that while baby boomers are building significant wealth in their 401(k) plans, most "do not connect their account balances to the creation of sustainable retirement income." Nearly seven in 10 participants plan to simply withdraw money as needed.

Additionally, consumers are eager to hear about guaranteed retirement income solutions. "Depending on age, 88% to 95% of consumers are very or somewhat interested in guaranteed lifetime income as a feature of annuities."

IRI Retirement Fact Book 2020. (C) 2020 Insured Retirement Institute.

Current Plan	Spouse 1	Spouse 2
Primary Insurance Amount	$ 31,800	$ 24,000
Desired Retirement Age	66	66
Spousal benefit, if any	$ 0	$ 0
Age Social Security Benefits Will Begin	66	66
Benefit Amount at That Age	$ 31,800	$ 24,000

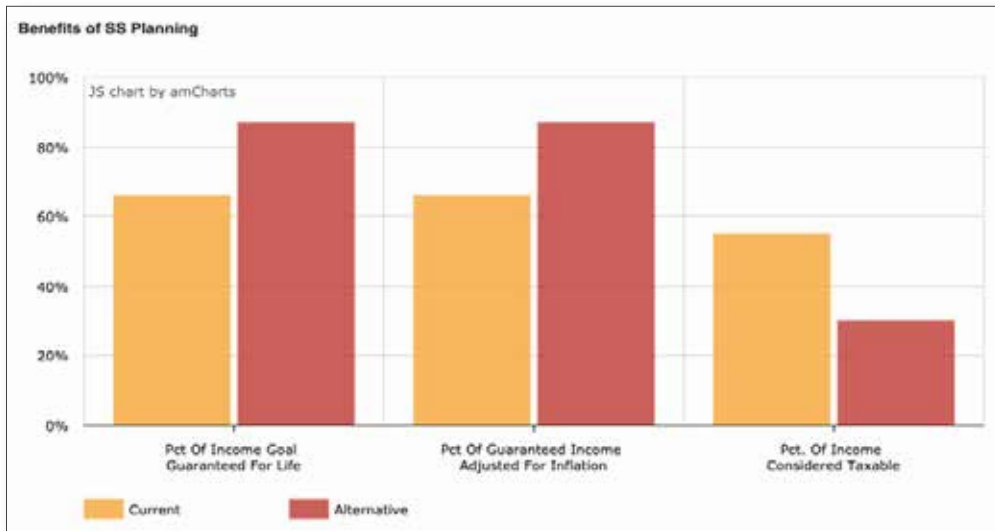| Current Plan	
Annual Household Income Goal	$ 85,000
Annual Household Social Security Benefits	$ 55,800
Pension Benefits	$ 0
Other Guaranteed Income	$ 0
Annual Income Gap	$ 29,200
Safe Withdrawal Rate Selected	2.40
Capital Required to Close Gap	$ 1,216,667
Bridge Capital Required	$ 0
Total Capital Required	$ 1,216,667

Alternative Plan	Spouse 1	Spouse 2
Primary Insurance Amount	$ 31,800	$ 24,000
Desired Retirement Age	66	66
Spousal benefit, if any	$ 0	$ 0
Age Social Security Benefits Will Begin	70	70
Benefit Amount at That Age	$ 41,976	$ 31,680

Alternative Plan	
Annual Household Income Goal	$ 85,000
Annual Household Social Security Benefits	$ 73,656
Pension Benefits	$ 0
Other Guaranteed Income	$ 0
Annual Income Gap	$ 12,522
Safe Withdrawal Rate Selected	2.72
Capital Required to Close Gap	$ 460,355
Bridge Capital Required	$ 352,964
Less Spousal Benefits Received from Restricted App	$ 0
Total Capital Required	$ 813,319

Current Inputs

The comparison on this page breaks down how the capital required to meet the plans objectives (income goal, time horizon and probablity of success) is calculated.

- The Current Scenario shows the clients' current plan and illustrates as a stress test.

- The Alternative Scenario shows the impact of taking benefits at a different time.

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Capital Requirements		
Capital Required to Close Gap	$ 1,216,667	$ 460,355
Bridge Capital Required	$ 0	$ 352,964
Less Spousal Benefits Received from Restricted App	$ 0	$ 0
Total Capital Required To Complete Plan	$ 1,216,667	$ 813,319

SS Planning

The SS Planning page shows how the Current and Alternative scenarios compare based on:

- Amount of plan income that is guaranteed, inflation adjusted and taxable

- Amount of income remaining for surviving spouse.

This page also details the capital required to fund each scenario.

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Client Information	Spouse 1	Spouse 2
Primary Insurance Amount	$ 31,800	$ 24,000
Desired Retirement Age	66	66
Spousal Benefit, if any	$ 0	$ 0
Recommended Age to Take Social Security Benefits	70	70
Benefit Amount at That Age	$ 41,976	$ 31,680

Annual Household Income Goal	$ 85,000
Annual Household Social Security Benefits	$ 73,656
Pension Benefits	$ 0
Other Guaranteed Income	$ 0
Annual Income Gap	$ 12,522
Deferred Annuity with Income Rider (DAIR) Premium	$ 250,000
Bridge Capital Required	$ 352,964
Less Spousal Benefits Received from Restricted App	$ 0
Total Capital Required	$ 602,964

Product Information	
Insurance Benefit Type	Deferred Annuity with Income Rider (DAIR)
Deferred Annuity with Income Rider (DAIR) Premium	$ 250,000
Deferred Annuity with Income Rider (DAIR) Payout	$ 12,522
Deferred Annuity with Income Rider (DAIR) Inflation Adj.	Yes
Deferred Annuity with Income Rider (DAIR) Account Type	Joint

Optimized Inputs

The Optimized Input Page details the data utilized in the Optimized scenario. Specifically, it shows the Income Gap and the Capital Required to close the Income Gap under the Optimized scenario.

- The Capital Required has two potential components: Bridge Capital and capital required to close the remaining income gap once Social Security benefits begin.

- In the Optimized scenario the total Capital Required is represented by the Annuity Premium in addition to the Bridge Capital.

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Option	Optimized Plan		Alternative Plan	
Benefits of Social Security Planning				
Pct of Income Goal Guaranteed for Life	100	%	87	%
Pct of Guaranteed Income Adjusted for Inflation	87	%	87	%
Pct of Income Considered Taxable	30	%	30	%
Guaranteed Survivor Benefits	$ 54,498		$ 41,976	
Income Analysis				
Annual Household Income Goal	$ 85,000		$ 85,000	
Annual Household Social Security Benefits	$ 73,656		$ 73,656	
Pension Benefits	$ 0		$ 0	
Other Guaranteed Income	$ 0		$ 0	
Annual Income Gap	$ 12,522		$ 12,522	
Capital Requirements				
Capital Required to Close Gap	$ 185,000		$ 460,355	
Bridge Capital Required	$ 352,964		$ 352,964	
Less Spousal Benefits Received from Restricted App	$ 0		$ 0	
Total Capital Required To Complete Plan	$ 537,964		$ 813,319	

Optimized Output

The Optimized Output page compares how the Current and Optimized scenarios compare based on:

- Amount of plan income that is guaranteed, inflation adjusted, taxable and remains for the surviving spouse.

- The capital required to fund each scenario.

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Plan Comparison

The Plan Comparison page allows you to compare and contrast the three different strategies/scenarios entered on the Input page.

The top of the comparison page shows how each strategy compares in relation to the amount of income that is guaranteed, inflation adjusted, taxable and transferrable to the surviving spouse.

This page also shows how the income gap was calculated, then the capital required to meet the plans overall objectives vs. the capital available.

Also, if any of the strategies result in "Excess Capital" (ie capital not needed to fully fund the plan) this page shows a future value calculation on that amount in 10, 20 and 30 years. This future value calculation is based upon an assumed rate of return chosen on the input page and called out below the future value calculation section.

Options	Current		Optimized		Alternative	
Benefits of Social Security Planning						
Pct of Income Goal Guaranteed for Life	66	%	100	%	87	%
Pct of Guaranteed Income Adjusted for Inflation	66	%	100	%	87	%
Pct of Income Considered Taxable	55	%	30	%	30	%
Guaranteed Survivor Benefit	$ 31,800		$ 54,499		$ 41,976	
Income Analysis						
Annual Income Goal	$ 85,000		$ 85,000		$ 85,000	
Annual Household Social Security Benefit	$ 55,800		$ 73,656		$ 73,656	
Pension Benefits	$ 0		$ 0		$ 0	
Other Guaranteed Income	$ 0		$ 0		$ 0	
Annual Income Gap	$ 29,200		$ 12,522	*	$ 12,522	*
Plan Capital Requirement						
Capital Available	$ 800,000		$ 800,000		$ 800,000	
Capital Required to Close Income Gap	$ 1,216,667		$ 602,964		$ 813,319	
Excess Capital	$ -416,667		$ 197,036		$ -13,319	
Future Value of Excess Capital **						
Year 10	$ 0		$ 320,951		$ 0	
Year 20	$ 0		$ 522,796		$ 0	
Year 30	$ 0		$ 851,579		$ 0	

* Inflation Adjusted
** Based on assumed annual rate of return of 5.0%

Plan Capital Requirement ('000)

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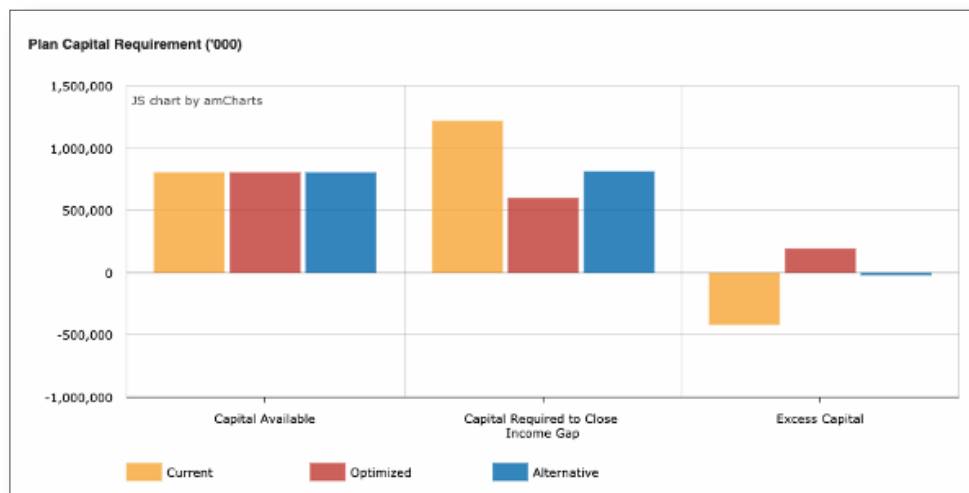
Income Planning

This page summarizes how the plans compare based on an analysis of income, tax impact, and capital required.

Social Security filing strategy	Curr ˅	Alter ˅	
Age Spouse One Files for Benefits	66	70	
Age Spouse Two Files for Benefits	66	70	

Income Analysis	Current	Alternative	Impact
Annual Income Goal	$ 85,00	$ 85,00	$ 0
Guaranteed Annual Household Income	$ 55,80	$ 73,65	$ 17,85
Additional Household Income Required	$ 29,20	$ 12,52	$ -16,67
Guaranteed Survivor Income	$ 31,80	$ 41,97	$ 10,17

Tax Analysis	Current	Alternative	Impact
Total Household Social Security Income	$ 55,80	$ 73,65	$ 17,85
Taxable Social Security Income	$ 17,13	$ 13,79	$ -3,338
Additional Fully Taxable Income	$ 29,20	$ 12,52	$ -16,67
Total Taxable Income	$ 46,33	$ 26,31	$ -20,01

Capital Analysis	Current	Alternative	Impact
Capital Available	$ 800,0	$ 800,0	-
Capital Required to Complete Plan	$ 1,216	$ 813,3	$ -403,3
Capital Excess or Deficiency	$ -416,6	$ -13,31	$ 403,3

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Pro Tip: In this example we used a product with a performance-based income structure so we checked "yes" on the Intake Data screen for the question "DAIR inflation adjusted."

If you choose a product without a performance-based income structure, answer "no" to that question. By answering "no," the Cost of Income page will add in additional capital required to cover the impact of inflation. This will impact the Capital Plan Requires per Dollar of Income Need.

Cost of Income

Breaks down cost of income based upon following formula:

$$\frac{\text{(A) Capital required to close annual income gap}}{\text{(B) Aggregate income plan is expected to deliver}} = \text{(C) Amount of capital the plan requires per dollar of income need}$$

Annual income gap increased by 2.5% per year to provide an inflation hedge for time period income is required.

Plan Options	Current	Optimized	Alternative
Amount of Income			
Annual Income Gap	$ 29,200	$ 12,522	$ 12,522
Time Period in which Income is Required	30.00	26.00	26.00
(B) Aggregate Income Plan Provides During Time Period	$ 1,281,959	$ 450,926	$ 450,926
Cost of Income			
(A) Capital Required to Close Annual Income Gap	$ 1,216,667	$ 250,000	$ 460,355
Amount of Plan Income Attributable to Inflation	-	$ 0	-
Total Amount of Income plan is Required to Provide	$ 1,281,959	$ 450,926	$ 450,926
(C) Capital Plan Requires per Dollar of Income Need	0.95	0.55	1.02

Save data and generate report

Click update and continue to save information or generate a report.

GENERATE REPORT

UPDATE & CONTINUE

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Learn more about how to get the most impact out of discussing Social Security options with your clients. Check out our extensive library of resources at **Athene.com/SSToolkit**.

For additional questions, contact the best Sales Desk in the business at **888-ANNUITY (266-8489)** or visit **Athene.com/Connect**.

The quantitative analysis conducted within the ARO software is based on a formula where the sum of all independent variables equals the dependent variable:

Independent Variables: Time horizon, Probablity of success, Social Security, Income, Inflation assumption, Portfolio construct and Other guaranteed income

Dependent Variable: Plans capital requirement