

When does an 8.5% “income growth rate” equal zero?

Prudential offers a fixed annuity with a “Daily Advantage Select Benefit.” You pay a premium and receive annual payments immediately, or higher payments if you wait. Payments increase by 8.5% annual simple interest for each day you delay starting. For example, a 65-year-old woman paying a \$100,000 premium would get \$7,450 per year for life. If she waits 6 months, her payment rises to \$7,766; if she waits 12 months, it increases to \$8,083. **This does not represent an 8.5% annual investment return even though they call it an “Income Growth Rate”.** Their rate sheet is below.

Prudential Fixed Annuity with Daily Advantage Income Select Benefit®: Current Rates

Effective Date: 11/7/2025

The Prudential Fixed Annuity with Daily Advantage Income Select Benefit® provides predictable and protected lifetime income that is guaranteed to grow daily until you decide to start taking income, all without exposure to market risks.

This rate sheet provides the current initial rates and percentages we are offering on the Prudential Fixed Annuity with Daily Advantage Income Select. Rates are set by Prudential and are subject to change at any time. For the latest rates, please visit www.prudential.com/daily-advantage-select-rates.

Withdrawal Percentages

At the time of purchase, you will be assigned a Withdrawal Percentage that's based on your age or the age of the youngest spouse if electing the spousal benefit option. The applicable Withdrawal Percentage is multiplied by your total Purchase Payment(s) to determine your initial Guaranteed Income Amount.

Guaranteed Income Amount				
\$100,000 Total Purchase Payment(s)	X	7.45% Withdrawal Percentage	=	\$7,450 Initial Guaranteed Income Amount

DAILY Income Growth Rate

Every day that you delay starting income means more guaranteed income for life. Your Guaranteed Income Amount grows daily by the 8.50% annualized simple fixed rate, referred to as the Income Growth Rate, until you are ready. This gives you the flexibility to start income, known as Lifetime Withdrawals, any day of your contract year AND still receive all lifetime income growth up to that point.

Income Growth Rate Credit				
\$7,450 Guaranteed Income Amount	X	8.50% Income Growth Rate	=	\$633 Per year credited daily <i>That's \$1.73 day</i>

Fixed Interest Crediting Rate

Your Account Value is protected from market risk and is guaranteed to grow every day during the seven-year Initial Crediting Period by a fixed 3% Interest Crediting Rate that is compounded and credited daily. At the end of the Initial Crediting Period, a renewal rate will be assigned every year thereafter and guaranteed for one year. This hypothetical example assumes an individual at age 65. Please note some values have been rounded down for illustrative purposes.

Benefit Designations

If your personal situation evolves, you can change between single and spousal benefit options at any time before you start taking income. The annual benefit charge for the Guaranteed Lifetime Withdrawal Benefit for both single and spousal options is 0.95% of the Account Value on the contract anniversary.

Annuities are issued by Pruco Life Insurance Company.

For complete information about the annuity, please refer to the Important Information Disclosure Statement and product brochure, which are available from your financial professional.

Product and/or all options may not be available in all states and/or broker-dealers.

WITHDRAWAL PERCENTAGES		
AGE AT ISSUE	SINGLE	SPOUSAL
50	5.95%	5.45%
51	6.05%	5.55%
52	6.15%	5.65%
53	6.25%	5.75%
54	6.35%	5.85%
55	6.45%	5.95%
56	6.55%	6.05%
57	6.65%	6.15%
58	6.75%	6.25%
59	6.85%	6.35%
60	6.95%	6.45%
61	7.05%	6.55%
62	7.15%	6.65%
63	7.25%	6.75%
64	7.35%	6.85%
65	7.45%	6.95%
66	7.55%	7.05%
67	7.65%	7.15%
68	7.80%	7.30%
69	7.95%	7.45%
70	8.15%	7.65%
71	8.25%	7.75%
72	8.35%	7.85%
73	8.45%	7.95%
74	8.50%	8.00%
75	8.55%	8.05%
76	8.65%	8.15%
77	8.75%	8.25%
78	8.85%	8.35%
79	8.95%	8.45%
80	9.00%	8.50%
81	9.00%	8.50%
82	9.00%	8.50%
83	9.00%	8.50%
84	9.00%	8.50%
85	9.00%	8.50%

Please note Edward Jones' guidelines may differ from the product specifications listed. For details on product availability, please contact your financial advisor.



If you need assistance in reading this document, click [here](#).

Issuing company is located in Newark, NJ (main office). Pruco Life Insurance Company, a Prudential Financial company, is solely responsible for its own financial condition and contractual obligations.

This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any client or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. If you would like information about your particular investment needs, please contact a financial professional.

Annuity contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your licensed financial professional can provide you with costs and complete details. Your needs and suitability of annuity products and benefits should be carefully considered before investing.

Withdrawals and distributions of taxable amounts are subject to ordinary income tax and, if made prior to age 59½, may be subject to a 10% additional tax. Withdrawals reduce the Account Value. Withdrawals taken during the surrender charge period, excluding any Required Minimum Distributions (RMDs) calculated by Prudential, will be subject to any applicable surrender charges and a Market Value Adjustment (MVA).

The surrender schedule for this product is 7%, 6%, 5%, 4%, 3%, 2%, and 1%.

All annuity contract guarantees, including benefit payment obligations, rider guarantees, and optional benefits, and any account crediting or payout rates are backed by the issuing company's claims-paying ability. The third-party broker-dealer/agency, or any of its affiliates, selling this annuity are not responsible for making those payments, and none makes any representations or guarantees about the issuer's ability to pay claims.

© 2025 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

Issued on Contract: ICC21-P-F-IND(10/21), P-F-IND(10/21) or state variation thereof

Issued on Riders: ICC21-P-F-GLWB(10/21)NI, P-F-GLWB(10/21)NI or state variation thereof

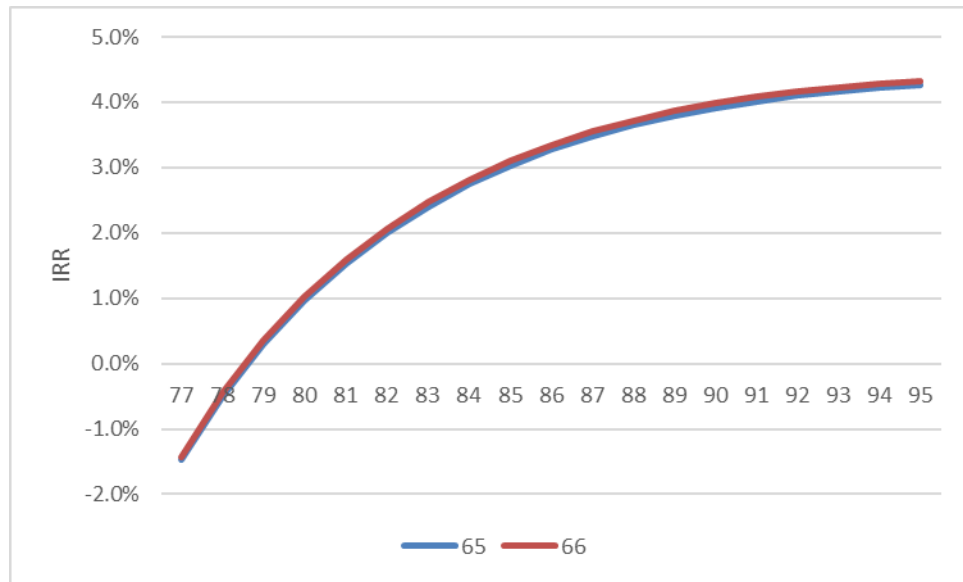
Issued on Endorsement: P-END-FIA-MVA(10/21), ICC21-P-FIA-MVA(10/21) or state variation thereof with schedules ICC21-P-F-GLWB-SCH(10/21), P-F-GLWB-SCH(10/21), P-END-FIA-MVA-SCH(10/21), ICC21-P-FIA-MVA-SCH(10/21) or state variation thereof



Of course, the income growth rate is possible only because Prudential has one less year of payment(s) to make! I show this in the table below where the age 65 payment of \$7450 and the age 66 payment of \$8083 are multiplied by the probability of being alive to receive them. For example, the age 66 payment of \$8083 becomes \$8018 = $\$8083 \times 99.2\%$, where 99.2% is the probability of a 65 year old female living to age 66. Weighting payments by the probability of the annuitant being alive to receive them is how insurance companies price their products. The annual return needed for the \$100,000 to cover the weighted payments can be found using an internal rate of return (IRR) calculation. To cover payments from age 65 to 84, \$100,000 must grow 2.7% annually; to age 85, it needs 3% growth, etc. Note that the IRRs for payments beginning at 65 and 66 are essentially the same (also see graph).

There is no additional expense incurred by the insurer when payment amounts are increased for individuals who postpone receiving them. There's simply less years for them to pay. My guess is that they expect (hope) that some people will confuse an actuarially equivalent payment with an 8.5% investment rate of return.

	% Alive	65	IRR	66	IRR
		-100000		-100000	
65	100.00%	7450		0	
66	99.20%	7390		8018	
67	98.32%	7325		7948	
68	97.37%	7254		7871	
69	96.33%	7177		7787	
70	95.21%	7093		7696	
71	93.98%	7002		7597	
72	92.65%	6902		7489	
73	91.20%	6795		7372	
74	89.63%	6678		7245	
75	87.93%	6551		7108	
76	86.09%	6414		6959	
77	84.10%	6266	-1.5%	6798	-1.4%
78	81.95%	6106	-0.5%	6624	-0.5%
79	79.63%	5933	0.3%	6437	0.4%
80	77.14%	5747	1.0%	6235	1.0%
81	74.45%	5546	1.5%	6018	1.6%
82	71.56%	5331	2.0%	5784	2.1%
83	68.47%	5101	2.4%	5534	2.5%
84	65.16%	4854	2.7%	5267	2.8%
85	61.64%	4592	3.0%	4982	3.1%
86	57.91%	4314	3.3%	4681	3.3%
87	53.98%	4022	3.5%	4364	3.5%
88	49.88%	3716	3.7%	4032	3.7%
89	45.63%	3399	3.8%	3688	3.9%
90	41.27%	3074	3.9%	3336	4.0%
91	36.85%	2745	4.0%	2978	4.1%
92	32.43%	2416	4.1%	2622	4.2%
93	28.11%	2094	4.2%	2272	4.2%
94	23.96%	1785	4.2%	1937	4.3%
95	20.05%	1494	4.3%	1621	4.3%



C.Ryan, CFP®