

Guaranteed Lifetime Income Benefit
offered with Phoenix Personal Retirement ChoiceSM

PURPOSE

Thank you for your interest in the optional Guaranteed Lifetime Income Benefit rider (Income Benefit), issued by PHL Variable Insurance Company (the Company). The purpose of this document is to help you understand the important features, benefits, risks and costs associated with your purchase of this rider. Please read this document carefully and discuss the rider with your producer before making your purchasing decision. Once you have read this document, please sign and return the last page with your completed application. Retain this disclosure document for future reference.

RIDER OVERVIEW

The optional Income Benefit offers:

- Access to guaranteed income payments of a specific amount every year for life once the Income Benefit is exercised, if certain conditions are met.
- Growth of the potential Income Benefit amount when you wait to exercise your Income Benefit.

There is an additional annual fee for this rider, so if you do not need guaranteed lifetime income, this rider may not be appropriate for you.

If you have questions about this rider, please ask your producer, or contact a company representative at 1-800-541-0171, Option 1.

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WHAT IS A COVERED PERSON?

The Covered Person is the person whose life is used to determine the amount, eligibility and duration of guaranteed income payments under the rider. The Covered Person cannot be changed after the rider is issued.

For the Single Life Option, there is one Covered Person and guaranteed income payments end upon the death of the Covered Person.

For the Spousal Life Option there are two Covered Persons, who must be federal spouses and each other's designated beneficiary. Guaranteed income payments end upon the death of the surviving Covered Person.

The option you select cannot be changed by the Owner(s) in the event of marriage, divorce, legal separation, annulment or the death of a Covered Person. Additionally, a Spousal Life Option rider cannot be converted into two Single Life Option riders.

WHAT IS THE INCOME BENEFIT AND HOW DOES IT WORK?

The Income Benefit provides guaranteed annual income payments (guaranteed income payments) for the life of the Covered Person(s). Your Income Benefit will grow each year until you exercise your rider.

Guaranteed income payments are withdrawals from your contract and will therefore reduce your Accumulation Value, Cash Surrender Value and death benefit. Guaranteed income payments will continue for life even if your Accumulation Value is reduced to zero, as long as you comply with the terms of the rider.

When can you start taking guaranteed income payments?

You choose the date your guaranteed income payments begin. This is known as exercising your rider. Your payments will begin on the monthly anniversary following the date we receive your request. Payments cannot start before the youngest Covered Person turns 50.

How much can you receive each year in guaranteed income payments?

After you exercise your rider, you are entitled to receive a fixed dollar amount each Contract Year. This amount is called your Annual Benefit Amount and is equal to a percentage of your Benefit Base (Withdrawal Benefit Base) or your Accumulation Value, if greater, on the date you exercise your rider. Withdrawals up to your Annual Benefit Amount will not incur charges and adjustments, even if they are greater than the Free Withdrawal Amount provided by your contract. Any portion of your Annual Benefit Amount not withdrawn during a Contract Year cannot be carried forward to the next Contract Year.

What is the percentage used to calculate your Annual Benefit Amount?

The percentage is called your Annual Benefit Amount Percentage. It is based on rider option you select (Single Life or Spousal Life) and the age of the **youngest living Covered Person** on the date you exercise your rider. Prior to purchasing the Income Benefit, your producer will provide you with a table of the Annual Benefit Amount Percentages for your Income Benefit. The applicable percentages will also appear in your rider.

YOU SHOULD KNOW:

The Annual Benefit Amount Percentage is NOT a guaranteed rate of interest credited to your Accumulation Value.

EXAMPLE: Let's calculate your Annual Benefit Amount assuming the following:

- You selected the Spousal Life Option and the youngest Covered Person is age 66 when you exercise your rider
- Your Annual Benefit Amount Percentage is 4.25%
- Your Benefit Base is \$200,000

Multiply your Benefit Base by the Annual Benefit Amount Percentage $\$200,000 \times 4.25\% =$ **\$8,500**

Your Annual Benefit Amount will be \$8,500 per year

What is your Benefit Base?

Your Benefit Base is an amount used to determine your Annual Benefit Amount and your Income Benefit fee. It has no cash value and cannot be withdrawn from your annuity. On the day your contract is issued, your Benefit Base is equal to your premium payment plus your Premium Bonus.

Example:	\$100,000	+	\$15,000	=	\$115,000
	Premium Payment		Premium Bonus		initial Benefit Base

Can your Benefit Base increase after issue?

Yes. Your Benefit Base will increase by simple interest, using an 8% Roll-Up Rate each Contract Year you wait to exercise your rider. This increase is called a Roll-Up and is equal to 8% of your initial Benefit Base, adjusted for certain withdrawals (Adjusted Initial Withdrawal Benefit Base). Roll-ups will continue for 12 years or until you exercise your rider, whichever happens first. At the end of the initial 12 year period, if you have not exercised your rider, you may elect to continue Roll-Ups for another 12 years at a newly declared Roll-Up Rate, which will be no less than 3%.

YOU SHOULD KNOW:

Your Benefit Base, Roll-Up Rate and Annual Benefit Amount Percentages are used solely to determine rider benefits and DO NOT impact your Accumulation Value.

EXAMPLE: Let's see how your Benefit Base can increase each Contract Year, assuming the following:

- Your Benefit Base at issue is \$115,000 (\$100,000 Premium Payment + \$15,000 Premium Bonus)
- You have not exercised your rider or taken any withdrawals

End of Contract Year 1

- 1 Multiply your Benefit Base at issue by the Roll-Up Rate to calculate the amount of the Roll-Up $\$115,000 \times 8\% = \mathbf{\$9,200}$
- 2 Add the amount of the Roll-Up from Step 1 to your Benefit Base at issue $\$9,200 + \$115,000 = \$124,200$
- 3 At the end of the 1st Contract Year, your Benefit Base will increase to $\mathbf{\$124,200}$

End of Contract Year 2

- 4 Multiply your Benefit Base at issue by the Roll-Up Rate to calculate the amount of the Roll-Up $\$115,000 \times 8\% = \mathbf{\$9,200}$
- 5 Add the amount of the Roll-Up from Step 4 to your Benefit Base at the end of the 1st Contract Year from Step 3 $\$9,200 + \$124,200 = \$133,400$
- 6 At the end of the 2nd Contract Year, your Benefit Base will increase to $\mathbf{\$133,400}$

End of Contract Year 12

Unless you exercise your rider, the Benefit Base will increase until the 12th Contract Year. In this example, if you haven't exercised your rider or taken any withdrawals, your Benefit Base will equal \$225,400.

This example is intended only to show how the Roll-Up feature can increase your Benefit Base. For information on how to calculate guaranteed income payments, refer to the section entitled "What is the percentage used to calculate your Annual Benefit Amount?"

Can withdrawals reduce your Income Benefit?

Yes. Withdrawals can reduce your Income Benefit in two ways:

Prior to Exercising Your Rider

Any withdrawals (including Required Minimum Distributions or RMDs) will reduce future guaranteed income payments. Your Benefit Base, your initial Benefit Base and any future guaranteed income payments will be reduced in the same proportion that your Accumulation Value is reduced by any withdrawal (including RMDs).

After Exercising Your Rider

Any Excess Withdrawals will reduce future guaranteed income payments. An Excess Withdrawal is any withdrawal (excluding RMDs) taken after you exercise your rider that causes your cumulative withdrawals in that Rider Year to exceed your Annual Benefit Amount.

Your Benefit Base and Annual Benefit Amount will be reduced in the same proportion that your Accumulation Value is reduced by any Excess Withdrawal.

What are your considerations for taking RMDs?

- If you take an RMD before exercising your rider, your future Income Benefit will be reduced.
- If you choose to exercise your rider to satisfy your RMD requirements, your Income Benefit will stop growing.
- If your RMD is greater than your Annual Benefit Amount, you can take your RMD, after exercising your rider, without reducing your Income Benefit.

HYPOTHETICAL EXAMPLE: Let's calculate the effect of an Excess Withdrawal on your Benefit Base and Annual Benefit Amount, after you have exercised your rider, assuming the following:

- Your Accumulation Value is \$100,000
- Your Benefit Base is \$200,000
- Your Annual Benefit Amount is \$10,000 and your Annual Benefit Amount Percentage is 5%
- You take a \$28,000 withdrawal

1	Deduct your Annual Benefit Amount from your Accumulation Value	$\$100,000 - \$10,000 = \$90,000$
2	Deduct your Annual Benefit Amount from the total withdrawal requested to determine the Excess Withdrawal	$\$28,000 - \$10,000 = \mathbf{\$18,000}$
3	Divide the Excess Withdrawal from Step 2 by the result from Step 1 to determine the reduction percentage	$\$18,000 \div \$90,000 = 20\%$
4	Multiply the Benefit Base prior to the Excess Withdrawal by the reduction percentage to determine the reduction amount	$\$200,000 \times 20\% = \$40,000$
5	Subtract the result from Step 4 from the Benefit Base to derive your new Benefit Base after the Excess Withdrawal	$\$200,000 - \$40,000 = \mathbf{\$160,000}$
6	Multiply your new Benefit Base from Step 5 by your Annual Benefit Amount Percentage to determine your new Annual Benefit Amount	$\$160,000 \times 5\% = \mathbf{\$8,000}$

After the Excess Withdrawal, your Benefit Base is reduced to \$160,000 and your Annual Benefit Amount is reduced \$8,000.

Note: This example DOES NOT include payment of any applicable Surrender Charge, forfeiture of any Non-Vested Premium Bonus or MVA.

What happens to your Income Benefit when your Accumulation Value is reduced to zero?

Your guaranteed income payments will continue if your Accumulation Value is reduced to zero as a result of Income Benefit fee deductions or guaranteed income payments. Guaranteed income payments continue until the death of the Covered Person (for the Single Life Option) or the death of the surviving Covered Person (for the Spousal Life Option).

Guaranteed income payments will stop and your rider will terminate if your Accumulation Value is reduced to zero for any other reasons (including an Excess Withdrawal).

What happens to your Income Benefit on death?

If you elected the Single Life Option, your Income Benefit will terminate on the death of the Covered Person.

If you elected the Spousal Life Option, your Income Benefit will continue as long as the surviving Covered Person elects to continue the contract as the Owner (“Spousal Continuation”). If the contract is continued, your Income Benefit will terminate upon the death of the surviving Covered Person.

What happens when you reach the Maximum Maturity Date under your annuity?

If your Accumulation Value is greater than zero, you have the option to select lifetime guaranteed income payments equal to 1/12th of your Annual Benefit Amount in place of one of the annuity options offered by your base annuity contract.

IS THERE A RIDER FEE?

Yes. At the end of each Contract Year, an annual fee will be deducted from your Accumulation Value. The fee will be deducted proportionately from all Accounts, after your Index Credits (if any) are added. The fee is equal to 0.95% multiplied by your Benefit Base. The fee will reduce your Accumulation Value, and it will reduce the impact of the Premium Bonus and the interest credited to the contract, especially in years when the contract earns little to no interest.

Can the amount of your Income Benefit fee ever change?

Yes. Any change to your Benefit Base will result in a change to your fee. If your Benefit Base increases, your fee will increase. If your Benefit Base decreases, your fee will decrease.

Can the percentage used to calculate your Income Benefit fee ever change?

Yes. We may change the percentage (Rider Fee Percentage) used to calculate your Income Benefit fee after the 12th Contract Year. The percentage may increase or decrease; however, the percentage will never exceed 1.50%.

Are you charged an Income Benefit fee if you surrender your contract or the Income Benefit terminates?

Yes. We will deduct a proportional Income Benefit fee (based on the number of days that have elapsed in the Contract Year) from your Accumulation Value.

YOU SHOULD KNOW:

The dollar amount of your fee increases as your Benefit Base increases.

EXAMPLE: Let’s calculate your Income Benefit fee and its impact on your Accumulation Value, assuming the following:

- Your Accumulation Value is \$100,000
- Your Benefit Base is \$200,000
- Your Rider Fee Percentage is 0.95%

- | | | |
|----------|--|---|
| 1 | Multiply your Rider Fee Percentage by your Benefit Base to determine your Income Benefit fee | $0.95\% \times \$200,000 = \$1,900$ |
| 2 | Deduct the result from Step 1 from your Accumulation Value | $\$100,000 - \$1,900 = \mathbf{\$98,100}$ |

After deduction of your Income Benefit fee, your new Accumulation Value is \$98,100. Your Benefit Base remains unchanged.

CAN YOUR RIDER TERMINATE?

Yes. You **cannot cancel** the Income Benefit, however, it will terminate without value on the earliest of the following dates:

- the date of death of the Covered Person under the Single Life Option, or the date of death of the surviving Covered Person under the Spousal Life Option;
- the date your Benefit Base is reduced to zero (as the result of any withdrawals, including RMDs, before you exercise your rider, or Excess Withdrawals, after you exercise your rider);
- the date your contract, to which your Income Benefit is attached, terminates (as the result of surrender, annuitization, payment of a death benefit, any withdrawals, including RMDs, before you exercise your rider or Excess Withdrawals, after you exercise your rider);
- the date you assign any rights or interests in your Income Benefit or your contract to which your Income Benefit is attached;
- the date there is a change in any Covered Person.

Once the Income Benefit terminates, it may not be reinstated. Upon termination, fees will no longer be deducted and past fees will not be refunded. These termination provisions may vary by state. Please see your rider for the specific termination provisions that apply to your rider.

TAXES

Amounts received under this rider are subject to the same tax treatment as amounts received under the annuity contract to which the rider is attached. In brief, the payments will be subject to income tax as contract distributions.

IRS Circular 230 Disclosure: Any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, to avoid penalties imposed under the Internal Revenue Code, and was written to support the promotion or marketing of the transactions or matters addressed here. Individuals should seek independent tax advice based on their own circumstances.

The Company does not offer legal or tax advice.

The insurance products:

- **Are NOT insured by the FDIC, NCUSIF, or any other state or federal agency that insures.**
- **Are NOT a deposit or obligation of, underwritten or guaranteed by, the depository.**
- **Are subject to Surrender Charges that could result in possible loss of principal invested.**
- **Provide Index Credits tied to stock and/or bond market performance, but do NOT purchase shares of any stock or invest directly in a security, mutual fund or index.**
- **Are NOT approved by the Securities and Exchange Commission (“SEC”).**

The Guaranteed Lifetime Income Benefit (Income Benefit) is a Guaranteed Lifetime Withdrawal Benefit rider (form number 11GLWB2 in most states).

This is a summary document and not part of your contract with the insurer.

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Please SIGN THIS PAGE of the disclosure and RETAIN it for your records.

I. Owner(s) Acknowledgements (required in ALL states)

- I have received this Rider Disclosure Document and retained a copy.
- I have received a table of the applicable Annual Benefit Amount Percentages for my rider.
- I understand that there is an annual fee for this rider which may reduce my Accumulation Value.
- I understand that this rider is optional and provides guaranteed income payments for life, if certain conditions are met.
- I understand that this rider cannot be cancelled.
- I understand that my base annuity contract provides for the ability to take withdrawals. I also understand that withdrawals before I exercise my rider or Excess Withdrawals after I exercise my rider will reduce the benefits provided by this rider.
- I understand that my Benefit Base, Roll-Up Rate and Annual Benefit Amount Percentages are used solely to determine rider benefits and do not impact my Accumulation Value.
- I have reviewed the information in this disclosure document with my producer. I have had an opportunity to ask questions and receive answers about anything I did not understand.

Owner Name (please print)

Owner Signature

Date (mm/dd/yyyy)

Joint Owner Name (please print, if applicable)

Joint Owner Signature (if applicable)

Date (mm/dd/yyyy)

II. Producer Acknowledgement (required in ALL states)

- I have provided a copy of this Rider Disclosure Document to the Owner(s).
- I have provided a table of the applicable Annual Benefit Amount Percentages to the Owner(s).
- I have not made any statements that differ from what is stated in this disclosure document nor have I made any promises about the expected future values or performance of this rider.

Producer Name (please print)

Producer Code

Producer Signature

Date (mm/dd/yyyy)

LEAVE WITH OWNER(S)

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Joint Owner Signature (if applicable)

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Producer Signature

Date (mm/dd/yyyy)

RETURN WITH APPLICATION