Rider Decoder: 13 terms that decide what an income rider pays

Educational information for licensed agents. Not legal or tax advice. Hypothetical examples are not real contracts. Rules vary by state and carrier. Sources last opened 2026-11-05. Full definitions, rider wording and sources: the Rider Decoder page of the guide.

#	Term (other names)	What it is, and what it is not	Where to find it
1	**Benefit base** income base, GLWB benefit base, withdrawal benefit base, guaranteed benefit base	The amount the payout percentage is applied to. It sizes the guaranteed yearly check and cannot be withdrawn.	Rider definitions; the income-base column of an illustration
2	**Account value** contract value, accumulated value, accumulation value	The money in the contract. It earns credits, pays the rider fee and funds withdrawals. It is not the benefit base.	Statement; the account-value column of an illustration
3	**Cash (surrender) value** value available upon surrender, surrender value	The lump sum a client receives on surrender, after surrender charges, bonus forfeitures and any market value adjustment. The benefit base is not used to calculate it.	Illustration, next to the account value
4	**Roll-up** credit, annual increase, deferral credit, simple or compound interest on the base	A credit added to the benefit base, or in some designs to the payout percentage, while income is deferred. It is not growth of the account value.	Rider specifications: rate, period, end date
5	**Payout percentage** withdrawal rate, lifetime withdrawal percentage, income benefit percentage, payout factor (a marketing term)	The share of the benefit base paid out each year. Age and single or joint life set it. It is not a return on the account value.	Rider specifications, by age band and by single or joint life
6	**First-withdrawal age and age bands** attained age (related: guaranteed lifetime withdrawal date or income start date, the date the age is measured on)	The age that fixes the initial payout percentage. A withdrawal before it can count as an excess withdrawal and cut the benefit base.	Rider schedule; the start-age setting of an illustration
7	**Step-up or reset** automatic step-up, anniversary reset, highest anniversary value	A test, usually on an anniversary, that lifts the benefit base to a stated comparison value, usually the account value, when that value is higher. All six rider forms (A to F) have one.	Rider base-calculation section; limits on availability
8	**Rider fee** rider charge, income benefit fee, GLB charge	A rate times a base the contract names, taken out as dollars from the account value. The base can be the account value, the benefit base or the remaining benefit amount.	Rider specifications: rate, maximum rate, fee base
9	**Excess withdrawal** excess surrender, early surrender, withdrawal above the allowed amount	A withdrawal above the allowed yearly amount, or before income starts. When the benefit base is above the account value, it can cost more base than the dollars taken.	Excess-withdrawal section; the warning in prominent print
10	**Bonus** premium bonus, income base bonus, bonus credit	An extra credit, added either to the account value or to the benefit base only. A bonus on the account value can be forfeited on early surrender. A bonus on the benefit base only raises the base and adds nothing to the surrender value (see Cash (surrender) value).	Brochure; rider specifications
11	**Multiplier or doubler** health-activated income multiplier, qualifying event increase	A temporary increase of the yearly amount after a trigger such as a health event. In the excerpted form it replaces the regular amount and does not add to it.	Multiplier section; the list of triggers
12	**Death benefit, termination, spousal continuation** related: settlement phase (form A's name for the stage where lifetime payments continue after the account value is gone), joint life version	What heirs or a surviving spouse receive, and what ends the rider. The benefit base is not paid as a death benefit.	Death benefit and termination clauses
13	**Who guarantees it** related: claims-paying ability, guaranty association	The insurer's ability to pay claims backs the promise. A state guaranty association is a limited backstop, and where a state follows NAIC Model #520 agents may not use its existence to sell or to induce a purchase.	Rider text; the guaranty association notice

Formula card. Yearly check = benefit base x payout percentage. Simple roll-up: base x (1 + rate x years). Compound roll-up: base x (1 + rate)^years. Fee in dollars = fee rate x the base the contract names, taken out of the account value. Proportional cut after an excess withdrawal = base x excess withdrawal / account value just before it; every form A to E except C takes that value after the allowed amount is paid.

Income rider comparison worksheet

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Client age at purchase: _____ Planned income start age: _____ Single or joint life: _____ Premium: $_____

Blank to fill	Rider 1	Rider 2	Rider 3
Product type and rider name			
Benefit base at activation, and what is in it (premium, bonus on the base, roll-up, step-ups)			
Roll-up: simple or compound, rate, years, what stops it, credit on the base or on the percentage			
Payout percentage at the planned age: single life			
Payout percentage at the planned age: joint life			
Can the percentage rise after income starts?			
Fee rate and maximum fee rate, fee base (base, account value, other), how it is deducted			
Excess-withdrawal rule (proportional, pro rata, or the greater of dollar-for-dollar and proportional) and what an early or required withdrawal counts as			
Yearly check = base x percentage (your math)			
Yearly check shown in the illustration, and the age it starts from			
Guaranteed in the illustration, and what assumes index credits			
Left to heirs once income is on			
Percentage after the account value reaches zero			
Whose guarantee (the issuing insurer), and any limit the contract puts on it			
Allowed yearly amount; does an unused amount lapse or carry forward, and for how long?			
Free withdrawal amount: do income payments count toward it, and is a surrender charge applied?			
Step-up: how it works, any limit, whether the fee is taken before the test, and whether the roll-up restarts from the stepped-up base			
Multiplier: triggers, waiting period, limit in years, what it pays at a zero account value			

Read the guaranteed column

1. Which columns are guaranteed, and which assume credited interest?
2. Which age is income shown from, and does it match the planned age?
3. Which value is the fee charged on, and is the fee reflected in the illustrated account value?
4. How is any hypothetical or back-tested figure labeled (not guaranteed; assumptions can change; results may be higher or lower)?
5. Does the income shown equal base x percentage? If not, ask the carrier in writing which rule produced it.

Mistakes to avoid: ranking riders at different start ages or life options; skipping the fee base; skipping the zero-value clause.

Guaranty association limits are for your own file. Agents and insurers may not use a state guaranty association's existence to sell or to induce a purchase where a state follows NAIC Model #520 Section 19. Florida has the same bar in Fla. Stat. 631.735. Check your state's rule.