

## **IMPORTANT INFORMATION DISCLOSURE STATEMENTS**

### **Prudential Fixed Annuity with Daily Advantage Income Benefit**

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**Pruco Life Insurance Company, Phoenix, AZ**

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**PRUDENTIAL FIXED ANNUITY IMPORTANT INFORMATION DISCLOSURE STATEMENT**  
**ISSUED ON FORM NUMBER ICC21-P-F-IND(10/21)**

This Disclosure Statement describes how the Prudential Fixed Annuity works. Please review it carefully and keep it for future reference. **Please note that the Prudential Fixed Annuity contract we issue to you contains the complete terms, conditions and additional details. If any statements in this document conflict with the contract, the contract will govern.** In this Disclosure Statement, “you” and “your” refer to the contract owner and “we,” “us” and “our” refer to Pruco Life Insurance Company (“Prudential”), the company issuing the Prudential Fixed Annuity contract.

**What is the Prudential Fixed Annuity?**

The Prudential Fixed Annuity is a modified single premium deferred fixed annuity issued on form number ICC21-P-F-IND(10/21), P-F-IND(10/21) (or state variation thereof) which includes a guaranteed lifetime withdrawal benefit (Daily Advantage Income Select). The Prudential Fixed Annuity is a financial planning tool designed for someone who wants an opportunity for earning tax-deferred interest and a regular stream of income once you elect to begin your Lifetime Withdrawals. Your Purchase Payment(s) will be allocated to the 7 Year Guaranteed Interest Crediting Period. The interest credited for the initial Crediting Period is based on the Initial Interest Crediting Rate effective on the Issue Date of the Annuity for the Crediting Period. The Interest Crediting Rate is an effective annual yield of interest which is compounded and credited daily.

**Who Are the Key Parties to the Prudential Fixed Annuity?**

**Owner/Designated Life** – The person(s) who purchases the contract, and the person(s) from whom we accept instructions regarding the contract. You may name up to two Owners or an Entity. If the spousal version of the benefit is elected, each named Owner must be a natural person. If the contract is Custodially owned, the spousal version of the benefit may be available.

**Annuitant/Joint Annuitant** – The person whose life or lives are used to determine the Annuity Payments. Joint Annuitants are allowed on Non-Qualified contracts only.

**Contingent Annuitant** – The person who becomes the Annuitant if the Annuitant dies before the Annuity Date. We will only accept a Contingent Annuitant on Custodially owned Qualified contracts.

**Beneficiary(ies)** – The person or persons who will receive any Death Benefit if the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) dies before the Annuity Date.

**How do I Establish a Prudential Fixed Annuity?**

You must work with your Financial Professional to determine if the Prudential Fixed Annuity meets your investment time horizon, goals, objectives, financial situation and needs. If so, your Financial Professional can help you apply for the Prudential Fixed Annuity. The minimum cumulative Purchase Payments required to issue a contract is \$25,000. The minimum cumulative Purchase Payments includes any direct funds you provide to us and all amounts that result from an exchange, transfer or rollover from another annuity contract or retirement plan. We will not issue your contract until we receive at least the Minimum Purchase Payment and either (a) all of the expected purchase payments indicated on your Prudential Fixed Annuity application within 120 days from the date you sign the application or b) until you instruct us to issue the contract without all expected purchase payments within 120 days. If the aforementioned conditions have not been met within 120 days, we will not issue your contract. We will not credit interest to Purchase Payment(s) until after the contract is issued. You may make additional Purchase Payments to your Annuity within the first 60 days after your contract is issued. We will not accept any additional Purchase Payment(s) past 60 days after your contract is issued.

**What if I Change my Mind About Opening a Prudential Fixed Annuity?**

You may cancel this Annuity for a refund by notification to us in Good Order or by returning the Annuity to our Service Office or to the representative who sold it to you within 10 days after you receive it, or 30 days if the Annuity is being issued as a replacement for another annuity contract or a life insurance policy, or longer if required by applicable state law for a refund of the Purchase Payment(s).

**What Initial Crediting Periods and Rates Are Available in my Prudential Fixed Annuity?**

The Prudential Fixed Annuity has a 7- Year Initial Crediting Period available. The Interest Crediting Rate for the Initial Crediting Period is assigned on the Issue Date of your Annuity. This rate will be expressed as the effective annual yield of the interest credited daily.

### What Happens at the End of a Crediting Period?

At the end of each Crediting Period, your Account Value in that Crediting Period will automatically renew into a one year Crediting Period. We declare Interest Crediting Rates annually.

### What is The Minimum Amount I am Guaranteed?

The Annuity provides a Minimum Guaranteed Surrender Value. If the contract is terminated by a Surrender, a Death Benefit becomes payable, or on the Annuity Date, the Minimum Guaranteed Surrender Value is equal to:

- a) 87.5% of your Purchase Payment(s) reduced for any state or local premium taxes and any other applicable tax, less
- b) withdrawals net of any applicable Surrender Charge and Market Value Adjustment; plus
- c) interest credited daily at the annual yield of at least 1.00%;

### What is the Daily Advantage Income Select Benefit?

The Daily Advantage Income Select Benefit is an amount of annual income that is available for life, once you start your Lifetime Withdrawals, provided you meet the conditions of the benefit.

### How Does the Daily Advantage Income Select Work?

The Guaranteed Income Amount (GIA) is the amount of annual income that is available for life, once you start your Lifetime Withdrawals. Once your Annuity is issued, we begin calculating your Guaranteed Income Amount (GIA) based on your choice of single life or spousal lives. You may change your designation of single live or spousal lives at any time before you begin your Lifetime Withdrawals. At issue, you are assigned a Withdrawal Percentage based on the age of the Designated Life or the younger of the Spousal Designated Lives as of the Effective Date of the benefit. Your initial GIA equals your Total Purchase Payment(s) multiplied by the applicable Withdrawal Percentage. Prior to your first Lifetime Withdrawal, the GIA will increase at the daily equivalent of a simple interest 'Income Growth Rate' assigned on the Effective Date.

Once you begin income payments, known as Lifetime Withdrawals, you will no longer be able to elect a new designated life status, and we will determine the GIA and withdrawals up to that amount and reduce the Account Value on a dollar for dollar basis for those withdrawals. While there is an Account Value remaining, you may start or stop Withdrawals at any time. Any withdrawals above your GIA are considered Withdrawals of Excess Income and will proportionally reduce your future GIA. For instance, if the Excess Income represents 10% of the Account Value after the Lifetime Withdrawal is taken, then the GIA is immediately reduced by 10%.

If you are not ready to start receiving periodic income payments but would like to take a Withdrawal, you may elect to take 'Non-Lifetime Withdrawals'. You are allowed an unlimited number of Non-Lifetime Withdrawals as long as they are designated as such by you. They will proportionally reduce your GIA and the Income Growth Rate amount credited to your GIA by the percentage the withdrawal represents of the Account Value immediately prior to the withdrawal.

If your Account Value goes to zero (as long as is not due to Withdrawals of Excess Income or a Non-Lifetime Withdrawal), your Lifetime Withdrawals will continue for the remainder of your life. Your payments will be based on your GIA paid by us even if no contract value remains. If your Account Value goes to zero due to Withdrawals of Excess Income, a Non-Lifetime Withdrawal, a payout of the Death Benefit or an election of an Annuity Option, the benefit will terminate.

Example of GIA, interest crediting, and Charge for the Benefit amounts below

Contract Year	Beginning Account Value	Interest Credited	Benefit Charge	GIA Amount Available	GIA Payment Taken	Growth Applied to GIA	End Account Value
Issue	\$100,000	0	0	\$5,850	0	0	\$100,000
1	\$100,000	\$1,000	\$960	\$6,260	0	\$410	\$100,041
2	\$100,041	\$1,000	\$960	\$6,669	0	\$410	\$100,081
3	\$100,081	\$1,001	\$960	\$7,079	0	\$410	\$100,122
4	\$100,122	\$1,001	\$961	\$7,484	0	\$410	\$100,162
5	\$100,162	\$1,002	\$961	\$7,484	\$7,484	0	\$92,715
6	\$92,715	\$927	\$890	\$7,484	\$7,484	0	\$85,264
7	\$85,264	\$853	\$818	\$7,484	\$7,484	0	\$77,811
8	\$77,811	\$778	\$747	\$7,488	\$7,484	0	\$70,355

In this example; Before income begins, the potential GIA amount is calculated by multiplying the total Purchase Payment(s) (\$100,000) by the withdrawal percentage based on the Designated Life's age (or the younger of the Designated Lives) when the contract was issued (5.85% Withdrawal Percentage) (7.0% Income Growth Rate)

### Once I begin taking Lifetime Withdrawals, What Happens if I do Not Take my Full Annual GIA in a Benefit Year?

If you do not take your full annual GIA in a Benefit Year after Lifetime Withdrawals have begun while there is still an Account Value, the unused portion of your GIA will not be available to you in future Benefit Years.

### What is the Cost of the Daily Advantage Income Select Benefit?

The cost of the Single version or Spousal version of the benefit is equal to 0.95% of the Account Value on the contract anniversary and is assessed on the contract anniversary. If the benefit is cancelled after the 5<sup>th</sup> contract year, you surrender the Annuity before a contract/benefit anniversary or the benefit is terminated, we will assess a pro-rata charge for the period from the last contract anniversary up to the date of the surrender of the annuity, cancellation of the benefit or termination of the benefit.

### Can I Cancel the Daily Advantage Income Select Benefit?

You may elect to cancel the benefit at any time on or after the 5<sup>th</sup> anniversary of the Effective Date. If cancelled, the benefit cannot be re-elected.

### What Charges are Associated with Withdrawals from the Prudential Fixed Annuity?

A Surrender Charge applies to Withdrawals or Surrenders that occur during the Surrender Charge Period. The Surrender Charge is determined by applying the applicable Surrender Charge Percentage to the amount of the Withdrawal or Surrender that exceeds the Free Withdrawal Amount (See "How Can I Access Money From my Prudential Fixed Annuity Without Surrender Charges?" below).

The Surrender Charge schedule is as follows:

Contract Year	1	2	3	4	5	6	7	8 and Later
7-Year Surrender Charge Period	7%	6%	5%	4%	3%	2%	1%	0%

### Can I Access Any Money From my Prudential Annuity Without Surrender Charges?

You may access all or a portion of the Account Value at any time before the Annuity Date by taking a Withdrawal or Surrendering the Annuity.

- **Free Withdrawal Amount:** During the first contract year you may withdraw a "Free Withdrawal Amount" equal to or less than 10% of the total Purchase Payment(s). Any withdrawal greater than this value will be subject to a Surrender Charge and Market Value Adjustment (defined below). After the first contract year, until the surrender period is complete, you may withdraw up to 10% of the Account Value as of the previous contract anniversary, reduced for any prior withdrawals since the contract anniversary, without incurring a Surrender Charge, as described above, or Market Value Adjustment "MVA". Any unused Free Withdrawal Amount cannot be carried over into future years.
- **Free Withdrawal Amount under the Daily Advantage Income Select Benefit:** Lifetime Withdrawals are not subject to Surrender Charges or MVA even if the Lifetime Withdrawal(s) exceed the Free Withdrawal Amount. If you take a Lifetime Withdrawal that is greater than the total of your GIA, it is then a withdrawal of Excess Income. Excess Income is subject to a Surrender Charge and MVA. For more information regarding how your withdrawals may impact your values, see "How Does the Daily Advantage Income Select Benefit Work".

### What is a Market Value Adjustment and When is it Applicable?

The Market Value Adjustment ("MVA") is an adjustment (either positive or negative) that is applied when you make a Withdrawal or Surrender request during the Surrender Charge Period. We calculate the MVA according to the formula described in your contract. In general, if interest rates have **increased** at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contract's Issue Date, the result will be a **negative** MVA. Conversely, if interest rates have **decreased** at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contracts Issue Date, the result will be a **positive** MVA.

The MVA and Surrender Charge do not apply to:

- Lifetime Withdrawals up to the GIA;
- A Withdrawal or Surrender taken as a Medically Related Surrender where the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) is diagnosed with a terminal illness or confined to a Medical Care Facility for 90 consecutive days (subject to regulatory approval) after the Annuity Issue Date;
- Your Free Withdrawal Amount or any Withdrawal or Surrender taken after your Surrender Charge Period expires;
- The Death Benefit;
- The Account Value applied to an Annuity Option on the Annuity Date;
- Withdrawals taken to satisfy distributions required by the tax law ("Required Minimum Distributions") if the amount of the Withdrawal is calculated by Prudential based solely on the value of your Prudential Fixed Annuity].

### What Happens to my Prudential Fixed Annuity Contract Upon Death?

The Prudential Fixed Annuity has a Death Benefit which becomes payable to the Beneficiary if an Owner/Joint Owner (or Annuitant/Joint Annuitant if owned by an entity) dies before the Annuity Date. The Death Benefit is the greater of 1) the Account Value, or 2) the Minimum Guaranteed Surrender Value, as of the date we receive Due Proof of Death in Good Order.

- Payment of the Death Benefit – The Death Benefit may be taken in one lump sum immediately, and the Prudential Fixed Annuity will terminate. The Death Benefit must be fully distributed either:
  - a) over the life (or life expectancy) of the Beneficiary with payments beginning i.) within one year of the Owner's death for Non-Qualified contracts, ii.) by December 31<sup>st</sup> of the year following the Owner's death for Qualified contracts; or
  - b) within 5 years of the Owner's death (or Annuitant/Joint Annuitant's death, if your Prudential Fixed Annuity is owned by an entity).
- Continuation of the Prudential Fixed Annuity by a spouse – Instead of taking the Death Benefit, the surviving spouse may continue the contract (including the Daily Advantage Income Select Benefit if it was elected on a spousal basis) and become the owner provided the spouse is the sole primary beneficiary and continue any payments, if applicable. The Surrender Charge and MVA no longer apply after Spousal Continuance occurs. Please note that a civil union or registered domestic partnership is generally not recognized as a marriage under federal law.

### **How do I Begin Annuity Payments?**

As you approach the Annuity Date, you may choose an Annuity Option. We apply the greater of your 1) Account Value, 2) present value of your GIA (unless your benefit has been terminated before the Annuity Date), or 3) the Minimum Guaranteed Surrender Value based on the Annuity Option chosen and begin paying you Annuity Payments. The latest available Annuity Date is the first contract anniversary on or after the oldest Owner's or Annuitant's 95th birthday. You may choose an earlier Annuity Date as long as you have not surrendered the Annuity, provided it occurs after the fifth contract anniversary, unless otherwise required by applicable law.

Once you elect an Annuity Option and the frequency of payments, you will no longer have Account Value to access. You or your designated payee will receive the Annuity Payments. Once established, however, your Annuity Payments may not be altered or surrendered. There are two Annuity Options available:

- Payments for Life with a Period Certain – Annuity Payments are based on the single life of either the Annuitant or Joint Annuitant, as designated by you, and are guaranteed for at least the certain period you select, subject to IRS regulations, and continue beyond that time for as long as the designated Annuitant lives.
- Joint and Last Survivor- Annuity Payments are based on the lives of the Joint Annuitants and continue for as long as the last surviving Annuitant lives.

If you do not elect an Annuity Option, on the Annuity Date we will begin making monthly Annuity Payments for the life of the named Annuitant with up to a 10-year period certain subject to IRS regulations. The minimum annuity rates for the Annuity Options are described in the contract and guaranteed. On the Annuity Date, Annuity Payments will not be less than those provided by any single premium immediate annuity contract offered by us to the same class of annuitants for the same amount applied to the same Annuity Option.

### **Federal Tax Status – Tax Considerations**

An annuity contract is a tax deferred financial instrument. You are not taxed on the interest credited to the contract until it is paid to you. At that time, you will pay tax at the same rate as other ordinary income. You may also be subject to a 10% federal tax penalty if the Withdrawal occurs before age 59½, unless an exception applies (*e.g.*, death, disability, substantially equal periodic payments).

**Non-Qualified annuity-** A Prudential Fixed Annuity purchased with after-tax dollars by an individual or entity. A Non-Qualified annuity does not include an Individual Retirement Annuity under the Internal Revenue Code. Generally, the “cost basis” in a Non-Qualified annuity is the amount you pay into the annuity, or into annuities exchanged for your annuity, on an after-tax basis less any Withdrawals of such payments.

Withdrawals or Surrenders from a Non-Qualified annuity will be taken first from the taxable portion of your Account Value. All Withdrawals or Surrenders taken prior to the Annuity Date will be taxed as ordinary income until all gain has been withdrawn. Once all gain has been withdrawn, Withdrawals or Surrenders will be treated as a non-taxable return of cost basis until all cost basis has been returned. The portion of a distribution from a Non-Qualified annuity that is considered taxable earnings is also subject to the 3.8% Medicare surtax which impacts higher income taxpayers.

If you elect Annuity Payments from a Non-Qualified annuity a portion of each Annuity Payment you receive will be treated as a partial return of your cost basis and will not be taxed. The remaining portion will be taxed as ordinary income. Please consult with your tax advisor for more information.

**Qualified annuity-** A Prudential Fixed Annuity with applicable endorsements for a tax-favored plan or a Non-Qualified annuity held by a tax-favored retirement plan.

For Qualified annuities not issued as a Roth Individual Retirement Annuity (IRA), taxation of the purchase payments and earnings on the purchase payments are deferred until benefits are paid. For contracts issued as a Roth IRA, qualified distributions of earnings are not subject to federal income tax upon distribution. Buying an annuity within an IRA or other qualified plan does not give you any extra tax benefits. Choose your annuity based on its other features and benefits as well as its risks and costs, not its tax benefits.

If you hold an annuity under an IRA (or other tax-favored plan), Required Minimum Distribution rules must be satisfied. This means that generally payments must start by April 1 of the year after the year you reach age 72 and must be made for each year thereafter. Roth IRAs are not subject to these rules during the Owner's lifetime. Please consult with your tax advisor for more information.

This material is for informational or educational purposes only. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. In providing these materials, Pruco Life Insurance Company (Pruco) is not acting as your fiduciary as defined by any applicable laws and regulations. Please consult your own independent advisor as to any tax or legal statements made herein.

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**What is the Prudential Fixed Annuity?**

The Prudential Fixed Annuity is a modified single premium deferred fixed annuity issued on form number P-F-IND(10/21) which includes a guaranteed lifetime withdrawal benefit (Daily Advantage Income). The Prudential Fixed Annuity is a financial planning tool designed for someone who wants an opportunity for earning tax-deferred interest and a regular stream of income once you elect to begin your Lifetime Withdrawals. Your Purchase Payment(s) will be allocated to the 7 Year Guaranteed Interest Crediting Period. The interest credited for the initial Crediting Period is based on the Initial Interest Crediting Rate effective on the Issue Date of the Annuity for the Crediting Period. The Interest Crediting Rate is an effective annual yield of interest which is compounded and credited daily.

**Who Are the Key Parties to the Prudential Fixed Annuity?**

**Owner/Designated Life** – The person(s) who purchases the contract, and the person(s) from whom we accept instructions regarding the contract. You may name up to two Owners or an Entity. If the spousal version of the benefit is elected, each named Owner must be a natural person. If the contract is Custodially owned, the spousal version of the benefit may be available.

**Annuitant/Joint Annuitant**– The person whose life or lives are used to determine the Annuity Payments. Joint Annuitants are allowed on Non-Qualified contracts only.

**Contingent Annuitant**- The person who becomes the Annuitant if the Annuitant dies before the Annuity Date. We will only accept a Contingent Annuitant on Custodially owned Qualified contracts.

**Beneficiary(ies)** – The person or persons who will receive any Death Benefit if the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) dies before the Annuity Date.

**How do I Establish a Prudential Fixed Annuity?**

You must work with your Financial Professional to determine if the Prudential Fixed Annuity meets your investment time horizon, goals, objectives, financial situation and needs. If so, your Financial Professional can help you apply for the Prudential Fixed Annuity. The minimum cumulative Purchase Payments required to issue a contract is \$25,000. The minimum cumulative Purchase Payments includes any direct funds you provide to us and all amounts that result from an exchange, transfer or rollover from another annuity contract or retirement plan. We will not issue your contract until we receive at least the Minimum Purchase Payment and either (a) all of the expected purchase payments indicated on your Prudential Fixed Annuity application within 120 days from the date you sign the application or b) until you instruct us to issue the contract without all expected purchase payments within 120 days. If the aforementioned conditions have not been met within 120 days, we will not issue your contract. We will not credit interest to Purchase Payment(s) until after the contract is issued. You may make additional Purchase Payments to your Annuity within the first 60 days after your contract is issued. We will not accept any additional Purchase Payment(s) past 60 days after your contract is issued.

**What if I Change my Mind About Opening a Prudential Fixed Annuity?**

You may cancel this Annuity for a refund by notification to us in Good Order or by returning the Annuity to our Service Office or to the representative who sold it to you within 20 days after you receive it, or 30 days if the Annuity is being issued as a replacement for another annuity contract or a life insurance policy, or longer if required by applicable state law for a refund of the Purchase Payment(s).

**What Initial Crediting Periods and Rates Are Available in my Prudential Fixed Annuity?**

The Prudential Fixed Annuity has a 7- Year Initial Crediting Period available. The Interest Crediting Rate for the Initial Crediting Period is assigned on the Issue Date of your Annuity. This rate will be expressed as the effective annual yield of the interest credited daily.

### What Happens at the End of a Crediting Period?

At the end of each Crediting Period, your Account Value in that Crediting Period will automatically renew into a one year Crediting Period. We declare Interest Crediting Rates annually.

### What is The Minimum Amount I am Guaranteed?

The Annuity provides a Minimum Guaranteed Surrender Value. If the contract is terminated by a Surrender, a Death Benefit becomes payable, or on the Annuity Date, the Minimum Guaranteed Surrender Value is equal to:

- a) 87.5% of your Purchase Payment(s) reduced for any state or local premium taxes and any other applicable tax, less
- b) withdrawals net of any applicable Surrender Charge and Market Value Adjustment; plus
- c) interest credited daily at the annual yield of at least 1.00%;

### What is the Daily Advantage Income Benefit?

The Daily Advantage Income Benefit is an amount of annual income that is available for life, once you start your Lifetime Withdrawals, provided you meet the conditions of the benefit.

### How Does the Daily Advantage Income Work?

The Guaranteed Income Amount (GIA) is the amount of annual income that is available for life, once you start your Lifetime Withdrawals. Once your Annuity is issued, we begin calculating your Guaranteed Income Amount (GIA) based on your choice of single life or spousal lives. You may change your designation of single life or spousal lives at any time before you begin your Lifetime Withdrawals. At issue, you are assigned a Withdrawal Percentage based on the age of the Designated Life or the younger of the Spousal Designated Lives as of the Effective Date of the benefit. Your initial GIA equals your Total Purchase Payment(s) multiplied by the applicable Withdrawal Percentage. Prior to your first Lifetime Withdrawal, the GIA will increase at the daily equivalent of a simple interest 'Income Growth Rate' assigned on the Effective Date.

Once you begin income payments, known as Lifetime Withdrawals, you will no longer be able to elect a new designated life status, and we will determine the GIA and withdrawals up to that amount and reduce the Account Value on a dollar for dollar basis for those withdrawals. While there is an Account Value remaining, you may start or stop Withdrawals at any time. Any withdrawals above your GIA are considered Withdrawals of Excess Income and will proportionally reduce your future GIA. For instance, if the Excess Income represents 10% of the Account Value after the Lifetime Withdrawal is taken, then the GIA is immediately reduced by 10%.

If you are not ready to start receiving periodic income payments but would like to take a Withdrawal, you may elect to take 'Non-Lifetime Withdrawals'. You are allowed an unlimited number of Non-Lifetime Withdrawals as long as they are designated as such by you. They will proportionally reduce your GIA and the Income Growth Rate amount credited to your GIA by the percentage the withdrawal represents of the Account Value immediately prior to the withdrawal.

If your Account Value goes to zero (as long as is not due to Withdrawals of Excess Income or a Non-Lifetime Withdrawal), your Lifetime Withdrawals will continue for the remainder of your life. Your payments will be based on your GIA paid by us even if no contract value remains. If your Account Value goes to zero due to Withdrawals of Excess Income, a Non-Lifetime Withdrawal, a payout of the Death Benefit or an election of an Annuity Option, the benefit will terminate.

Example of GIA, interest crediting, and Charge for the Benefit amounts below

Contract Year	Beginning Account Value	Interest Credited	Benefit Charge	GIA Amount Available	GIA Payment Taken	Growth Applied to GIA	End Account Value
Issue	\$100,000	0	0	\$5,850	0	0	\$100,000
1	\$100,000	\$1,000	\$960	\$6,260	0	\$410	\$100,041
2	\$100,041	\$1,000	\$960	\$6,669	0	\$410	\$100,081
3	\$100,081	\$1,001	\$960	\$7,079	0	\$410	\$100,122
4	\$100,122	\$1,001	\$961	\$7,484	0	\$410	\$100,162
5	\$100,162	\$1,002	\$961	\$7,484	\$7,484	0	\$92,715
6	\$92,715	\$927	\$890	\$7,484	\$7,484	0	\$85,264
7	\$85,264	\$853	\$818	\$7,484	\$7,484	0	\$77,811
8	\$77,811	\$778	\$747	\$7,488	\$7,484	0	\$70,355

In this example; Before income begins, the potential GIA amount is calculated by multiplying the total Purchase Payment(s) (\$100,000) by the withdrawal percentage based on the Designated Life's age (or the younger of the Designated Lives) when the contract was issued (5.85% Withdrawal Percentage) (7.0% Income Growth Rate)

**Once I begin taking Lifetime Withdrawals, What Happens if I do Not Take my Full Annual GIA in a Benefit Year?**

If you do not take your full annual GIA in a Benefit Year after Lifetime Withdrawals have begun while there is still an Account Value, the unused portion of your will not be available to you in future Benefit Years.

**What is the Cost of the Daily Advantage Income Benefit?**

The cost of the Single version or Spousal version of the benefit is equal to 0.95% of the Account Value on the contract anniversary and is assessed on the contract anniversary. If the benefit is cancelled after the 5<sup>th</sup> contract year, you surrender the Annuity before a contract/benefit anniversary or the benefit is terminated, we will assess a pro-rata charge for the period from the last contract anniversary up to the date of the surrender of the annuity, cancellation of the benefit or termination of the benefit.

**Can I Cancel the Daily Advantage Income Benefit?**

You may elect to cancel the benefit at any time on or after the 5<sup>th</sup> anniversary of the Effective Date. If cancelled, the benefit cannot be re-elected.

**What Charges are Associated with Withdrawals from the Prudential Fixed Annuity?**

A Surrender Charge applies to Withdrawals or Surrenders that occur during the Surrender Charge Period. The Surrender Charge is determined by applying the applicable Surrender Charge Percentage to the amount of the Withdrawal or Surrender that exceeds the Free Withdrawal Amount (See “How Can I Access Money From my Prudential Fixed Annuity Without Surrender Charges?” below).

The Surrender Charge schedule is as follows:

Contract Year	1	2	3	4	5	6	7	8 and Later
7-Year Surrender Charge Period	7%	6%	5%	4%	3%	2%	1%	0%

**Can I Access Any Money From my Prudential Annuity Without Surrender Charges?**

You may access all or a portion of the Account Value at any time before the Annuity Date by taking a Withdrawal or Surrendering the Annuity.

- **Free Withdrawal Amount:** During the first contract year you may withdraw a “Free Withdrawal Amount” equal to or less than 10% of the total Purchase Payment(s). Any withdrawal greater than this value will be subject to a Surrender Charge and Market Value Adjustment (defined below). After the first contract year, until the surrender period is complete, you may withdraw up to 10% of the Account Value as of the previous contract anniversary, reduced for any prior withdrawals since the contract anniversary, without incurring a Surrender Charge, as described above, or Market Value Adjustment “MVA”. Any unused Free Withdrawal Amount cannot be carried over into future years.
- **Free Withdrawal Amount under the Daily Advantage Income Benefit:** Lifetime Withdrawals are not subject to Surrender Charges or MVA even if the Lifetime Withdrawal(s) exceed the Free Withdrawal Amount. If you take a Lifetime Withdrawal that is greater than the total of your GIA, it is then a withdrawal of Excess Income. Excess Income is subject to a Surrender Charge and MVA. For more information regarding how your withdrawals may impact your values, see “How Does the Daily Advantage Income Benefit Work”.

**What is a Market Value Adjustment and When is it Applicable?**

The Market Value Adjustment (“MVA”) is an adjustment (either positive or negative) that is applied when you make a Withdrawal or Surrender request during the Surrender Charge Period. We calculate the MVA according to the formula described in your contract. In general, if interest rates have *increased* at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contract’s Issue Date, the result will be a *negative* MVA. Conversely, if interest rates have *decreased* at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contracts Issue Date, the result will be a *positive* MVA. The MVA and Surrender Charge do not apply to:

- Lifetime Withdrawals up to the GIA;
- Withdrawals of your Income Reserve, if applicable;
- Your Free Withdrawal Amount or any Withdrawal or Surrender taken after your Surrender Charge Period expires;
- The Death Benefit;
- The Account Value applied to an Annuity Option on the Annuity Date;
- Withdrawals taken to satisfy distributions required by the tax law (“Required Minimum Distributions”) if the amount of the Withdrawal is calculated by Prudential based solely on the value of your Prudential Fixed Annuity].

### **What Happens to my Prudential Fixed Annuity Contract Upon Death?**

The Prudential Fixed Annuity has a Death Benefit which becomes payable to the Beneficiary if an Owner/Joint Owner (or Annuitant/Joint Annuitant if owned by an entity) dies before the Annuity Date. The Death Benefit is the greater of 1) the Account Value, or 2) the Minimum Guaranteed Surrender Value, as of the date we receive Due Proof of Death in Good Order.

- Payment of the Death Benefit – The Death Benefit may be taken in one lump sum immediately, and the Prudential Fixed Annuity will terminate. The Death Benefit must be fully distributed either:
  - a)** over the life (or life expectancy) of the Beneficiary with payments beginning i.) within one year of the Owner's death for Non-Qualified contracts, ii.) by December 31<sup>st</sup> of the year following the Owner's death for Qualified contracts; or
  - b)** within 5 years of the Owner's death (or Annuitant/Joint Annuitant's death, if your Prudential Fixed Annuity is owned by an entity).
- Continuation of the Prudential Fixed Annuity by a spouse – Instead of taking the Death Benefit, the surviving spouse may continue the contract (including the Daily Advantage Income Benefit if it was elected on a spousal basis) and become the owner provided the spouse is the sole primary beneficiary and continue any payments, if applicable. The Surrender Charge and MVA no longer apply after Spousal Continuance occurs. Please note that a civil union or registered domestic partnership is generally not recognized as a marriage under federal law.

### **How do I Begin Annuity Payments?**

As you approach the Annuity Date, you may choose an Annuity Option. We apply the greater of your 1) Account Value, 2) present value of your GIA (unless your benefit has been terminated before the Annuity Date), or 3) the Minimum Guaranteed Surrender Value based on the Annuity Option chosen and begin paying you Annuity Payments. The latest available Annuity Date is the first contract anniversary on or after the oldest Owner's or Annuitant's 95th birthday. You may choose an earlier Annuity Date as long as you have not surrendered the Annuity, provided it occurs after the fifth contract anniversary, unless otherwise required by applicable law.

Once you elect an Annuity Option and the frequency of payments, you will no longer have Account Value to access. You or your designated payee will receive the Annuity Payments. Once established, however, your Annuity Payments may not be altered or surrendered. There are two Annuity Options available:

- Payments for Life with a Period Certain – Annuity Payments are based on the single life of either the Annuitant or Joint Annuitant, as designated by you, and are guaranteed for at least the certain period you select, subject to IRS regulations, and continue beyond that time for as long as the designated Annuitant lives.
- Joint and Last Survivor- Annuity Payments are based on the lives of the Joint Annuitants and continue for as long as the last surviving Annuitant lives.

If you do not elect an Annuity Option, on the Annuity Date we will begin making monthly Annuity Payments for the life of the named Annuitant with up to a 10-year period certain subject to IRS regulations. The minimum annuity rates for the Annuity Options are described in the contract and guaranteed. On the Annuity Date, Annuity Payments will not be less than those provided by any single premium immediate annuity contract offered by us to the same class of annuitants for the same amount applied to the same Annuity Option.

### **Federal Tax Status – Tax Considerations**

An annuity contract is a tax deferred financial instrument. You are not taxed on the interest credited to the contract until it is paid to you. At that time, you will pay tax at the same rate as other ordinary income. You may also be subject to a 10% federal tax penalty if the Withdrawal occurs before age 59½, unless an exception applies (e.g., death, disability, substantially equal periodic payments).

**Non-Qualified annuity-** A Prudential Fixed Annuity purchased with after-tax dollars by an individual or entity. A Non-Qualified annuity does not include an Individual Retirement Annuity under the Internal Revenue Code. Generally, the "cost basis" in a Non-Qualified annuity is the amount you pay into the annuity, or into annuities exchanged for your annuity, on an after-tax basis less any Withdrawals of such payments.

Withdrawals or Surrenders from a Non-Qualified annuity will be taken first from the taxable portion of your Account Value. All Withdrawals or Surrenders taken prior to the Annuity Date will be taxed as ordinary income until all gain has been withdrawn. Once all gain has been withdrawn, Withdrawals or Surrenders will be treated as a non-taxable return of cost basis until all cost basis has been returned. The portion of a distribution from a Non-Qualified annuity that is considered taxable earnings is also subject to the 3.8% Medicare surtax which impacts higher income taxpayers.

If you elect Annuity Payments from a Non-Qualified annuity a portion of each Annuity Payment you receive will be treated as a partial return of your cost basis and will not be taxed. The remaining portion will be taxed as ordinary income. Please consult with your tax advisor for more information.

**Qualified annuity-** A Prudential Fixed Annuity with applicable endorsements for a tax-favored plan or a Non-Qualified annuity held by a tax-favored retirement plan.

For Qualified annuities not issued as a Roth Individual Retirement Annuity (IRA), taxation of the purchase payment and earnings on the purchase payment are deferred until benefits are paid. For contracts issued as a Roth IRA, qualified distributions of earnings are not subject to federal income tax upon distribution. Buying an annuity within an IRA or other qualified plan does not give you any extra tax benefits. Choose your annuity based on its other features and benefits as well as its risks and costs, not its tax benefits.

If you hold an annuity under an IRA (or other tax-favored plan), Required Minimum Distribution rules must be satisfied. This means that generally payments must start by April 1 of the year after the year you reach age 72 and must be made for each year thereafter. Roth IRAs are not subject to these rules during the Owner's lifetime. Please consult with your tax advisor for more information.

This material is for informational or educational purposes only. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. In providing these materials, Pruco Life Insurance Company (Pruco) is not acting as your fiduciary as defined by any applicable laws and regulations. Please consult your own independent advisor as to any tax or legal statements made herein.

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**PRUDENTIAL FIXED ANNUITY IMPORTANT INFORMATION DISCLOSURE STATEMENT**  
**ISSUED ON FORM NUMBER ICC21-P-F-IND(10/21)**

This Disclosure Statement describes how the Prudential Fixed Annuity works. Please review it carefully and keep it for future reference. **Please note that the Prudential Fixed Annuity contract we issue to you contains the complete terms, conditions and additional details. If any statements in this document conflict with the contract, the contract will govern.** In this Disclosure Statement, “you” and “your” refer to the contract owner and “we,” “us” and “our” refer to Pruco Life Insurance Company (“Prudential”), the company issuing the Prudential Fixed Annuity contract.

**What is the Prudential Fixed Annuity?**

The Prudential Fixed Annuity is a modified single premium deferred fixed annuity issued on form number P-F-IND(10/21)-FL which includes a guaranteed lifetime withdrawal benefit (Daily Advantage Income Select). The Prudential Fixed Annuity is a financial planning tool designed for someone who wants an opportunity for earning tax-deferred interest and a regular stream of income once you elect to begin your Lifetime Withdrawals. Your Purchase Payment(s) will be allocated to the 7 Year Guaranteed Interest Crediting Period. The interest credited for the initial Crediting Period is based on the Initial Interest Crediting Rate effective on the Issue Date of the Annuity for the Crediting Period. The Interest Crediting Rate is an effective annual yield of interest which is compounded and credited daily.

**Who Are the Key Parties to the Prudential Fixed Annuity?**

**Owner/Designated Life** – The person(s) who purchases the contract, and the person(s) from whom we accept instructions regarding the contract. You may name up to two Owners or an Entity. If the spousal version of the benefit is elected, each named Owner must be a natural person. If the contract is Custodially owned, the spousal version of the benefit may be available.

**Annuitant/Joint Annuitant** – The person whose life or lives are used to determine the Annuity Payments. Joint Annuitants are allowed on Non-Qualified contracts only.

**Contingent Annuitant** – The person who becomes the Annuitant if the Annuitant dies before the Annuity Date. We will only accept a Contingent Annuitant on Custodially owned Qualified contracts.

**Beneficiary(ies)** – The person or persons who will receive any Death Benefit if the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) dies before the Annuity Date.

**How do I Establish a Prudential Fixed Annuity?**

You must work with your Financial Professional to determine if the Prudential Fixed Annuity meets your investment time horizon, goals, objectives, financial situation and needs. If so, your Financial Professional can help you apply for the Prudential Fixed Annuity. The minimum cumulative Purchase Payments required to issue a contract is \$25,000. The minimum cumulative Purchase Payments includes any direct funds you provide to us and all amounts that result from an exchange, transfer or rollover from another annuity contract or retirement plan. We will not issue your contract until we receive at least the Minimum Purchase Payment and either (a) all of the expected purchase payments indicated on your Prudential Fixed Annuity application within 120 days from the date you sign the application or b) until you instruct us to issue the contract without all expected purchase payments within 120 days. If the aforementioned conditions have not been met within 120 days, we will not issue your contract. We will not credit interest to Purchase Payment(s) until after the contract is issued. You may make additional Purchase Payments to your Annuity within the first 60 days after your contract is issued. We will not accept any additional Purchase Payment(s) past 60 days after your contract is issued.

**What if I Change my Mind About Opening a Prudential Fixed Annuity?**

You may cancel this Annuity for a refund by notification to us in Good Order or by returning the Annuity to our Service Office or to the representative who sold it to you within 21 days after you receive it, or 30 days if the Annuity is being issued as a replacement for another annuity contract or a life insurance policy, or longer if required by applicable state law for a refund of the Purchase Payment(s).

**What Initial Crediting Periods and Rates Are Available in my Prudential Fixed Annuity?**

The Prudential Fixed Annuity has a 7- Year Initial Crediting Period available. The Interest Crediting Rate for the Initial Crediting Period is assigned on the Issue Date of your Annuity. This rate will be expressed as the effective annual yield of the interest credited daily.

### What Happens at the End of a Crediting Period?

At the end of each Crediting Period, your Account Value in that Crediting Period will automatically renew into a one year Crediting Period. We declare Interest Crediting Rates annually.

### What is The Minimum Amount I am Guaranteed?

The Annuity provides a Minimum Guaranteed Surrender Value. If the contract is terminated by a Surrender, a Death Benefit becomes payable, or on the Annuity Date, the Minimum Guaranteed Surrender Value is equal to:

- a) 87.5% of your Purchase Payment(s) reduced for any state or local premium taxes and any other applicable tax, less
- b) withdrawals net of any applicable Surrender Charge and Market Value Adjustment; plus
- c) interest credited daily at the annual yield of at least 1.00%;

### What is the Daily Advantage Income Select Benefit?

The Daily Advantage Income Select Benefit is an amount of annual income that is available for life, once you start your Lifetime Withdrawals, provided you meet the conditions of the benefit.

### How Does the Daily Advantage Income Select Work?

The Guaranteed Income Amount (GIA) is the amount of annual income that is available for life, once you start your Lifetime Withdrawals. Once your Annuity is issued, we begin calculating your Guaranteed Income Amount (GIA) based on your choice of single life or spousal lives. You may change your designation of single live or spousal lives at any time before you begin your Lifetime Withdrawals. At issue, you are assigned a Withdrawal Percentage based on the age of the Designated Life or the younger of the Spousal Designated Lives as of the Effective Date of the benefit. Your initial GIA equals your Total Purchase Payment(s) multiplied by the applicable Withdrawal Percentage. Prior to your first Lifetime Withdrawal, the GIA will increase at the daily equivalent of a simple interest 'Income Growth Rate' assigned on the Effective Date.

Once you begin income payments, known as Lifetime Withdrawals, you will no longer be able to elect a new designated life status, and we will determine the GIA and withdrawals up to that amount and reduce the Account Value on a dollar for dollar basis for those withdrawals. While there is an Account Value remaining, you may start or stop Withdrawals at any time. Any withdrawals above your GIA are considered Withdrawals of Excess Income and will proportionally reduce your future GIA. For instance, if the Excess Income represents 10% of the Account Value after the Lifetime Withdrawal is taken, then the GIA is immediately reduced by 10%.

If you are not ready to start receiving periodic income payments but would like to take a Withdrawal, you may elect to take 'Non-Lifetime Withdrawals'. You are allowed an unlimited number of Non-Lifetime Withdrawals as long as they are designated as such by you. They will proportionally reduce your GIA and the Income Growth Rate amount credited to your GIA by the percentage the withdrawal represents of the Account Value immediately prior to the withdrawal.

If your Account Value goes to zero (as long as is not due to Withdrawals of Excess Income or a Non-Lifetime Withdrawal), your Lifetime Withdrawals will continue for the remainder of your life. Your payments will be based on your GIA paid by us even if no contract value remains. If your Account Value goes to zero due to Withdrawals of Excess Income, a Non-Lifetime Withdrawal, a payout of the Death Benefit or an election of an Annuity Option, the benefit will terminate.

Example of GIA, interest crediting, and Charge for the Benefit amounts below

Contract Year	Beginning Account Value	Interest Credited	Benefit Charge	GIA Amount Available	GIA Payment Taken	Growth Applied to GIA	End Account Value
Issue	\$100,000	0	0	\$5,850	0	0	\$100,000
1	\$100,000	\$1,000	\$960	\$6,260	0	\$410	\$100,041
2	\$100,041	\$1,000	\$960	\$6,669	0	\$410	\$100,081
3	\$100,081	\$1,001	\$960	\$7,079	0	\$410	\$100,122
4	\$100,122	\$1,001	\$961	\$7,484	0	\$410	\$100,162
5	\$100,162	\$1,002	\$961	\$7,484	\$7,484	0	\$92,715
6	\$92,715	\$927	\$890	\$7,484	\$7,484	0	\$85,264
7	\$85,264	\$853	\$818	\$7,484	\$7,484	0	\$77,811
8	\$77,811	\$778	\$747	\$7,488	\$7,484	0	\$70,355

In this example; Before income begins, the potential GIA amount is calculated by multiplying the total Purchase Payment(s) (\$100,000) by the withdrawal percentage based on the Designated Life's age (or the younger of the Designated Lives) when the contract was issued (5.85% Withdrawal Percentage) (7.0% Income Growth Rate)

### Once I begin taking Lifetime Withdrawals, What Happens if I do Not Take my Full Annual GIA in a Benefit Year?

If you do not take your full annual GIA in a Benefit Year after Lifetime Withdrawals have begun while there is still an Account Value, the unused portion of your GIA will not be available to you in future Benefit Years.

### What is the Cost of the Daily Advantage Income Select Benefit?

The cost of the Single version or Spousal version of the benefit is equal to 0.95% of the Account Value on the contract anniversary and is assessed on the contract anniversary. If the benefit is cancelled after the 5<sup>th</sup> contract year, you surrender the Annuity before a contract/benefit anniversary or the benefit is terminated, we will assess a pro-rata charge for the period from the last contract anniversary up to the date of the surrender of the annuity, cancellation of the benefit or termination of the benefit.

### Can I Cancel the Daily Advantage Income Select Benefit?

You may elect to cancel the benefit at any time on or after the 5<sup>th</sup> anniversary of the Effective Date. If cancelled, the benefit cannot be re-elected.

### What Charges are Associated with Withdrawals from the Prudential Fixed Annuity?

A Surrender Charge applies to Withdrawals or Surrenders that occur during the Surrender Charge Period. The Surrender Charge is determined by applying the applicable Surrender Charge Percentage to the amount of the Withdrawal or Surrender that exceeds the Free Withdrawal Amount (See "How Can I Access Money From my Prudential Fixed Annuity Without Surrender Charges?" below).

The Surrender Charge schedule is as follows:

Contract Year	1	2	3	4	5	6	7	8 and Later
7-Year Surrender Charge Period	7%	6%	5%	4%	3%	2%	1%	0%

### Can I Access Any Money From my Prudential Annuity Without Surrender Charges?

You may access all or a portion of the Account Value at any time before the Annuity Date by taking a Withdrawal or Surrendering the Annuity.

- **Free Withdrawal Amount:** During the first contract year you may withdraw a "Free Withdrawal Amount" equal to or less than 10% of the total Purchase Payment(s). Any withdrawal greater than this value will be subject to a Surrender Charge and Market Value Adjustment (defined below). After the first contract year, until the surrender period is complete, you may withdraw up to 10% of the Account Value as of the previous contract anniversary, reduced for any prior withdrawals since the contract anniversary, without incurring a Surrender Charge, as described above, or Market Value Adjustment "MVA". Any unused Free Withdrawal Amount cannot be carried over into future years.
- **Free Withdrawal Amount under the Daily Advantage Income Select Benefit:** Lifetime Withdrawals are not subject to Surrender Charges or MVA even if the Lifetime Withdrawal(s) exceed the Free Withdrawal Amount. If you take a Lifetime Withdrawal that is greater than the total of your GIA, it is then a withdrawal of Excess Income. Excess Income is subject to a Surrender Charge and MVA. For more information regarding how your withdrawals may impact your values, see "How Does the Daily Advantage Income Select Benefit Work".

### What is a Market Value Adjustment and When is it Applicable?

The Market Value Adjustment ("MVA") is an adjustment (either positive or negative) that is applied when you make a Withdrawal or Surrender request during the Surrender Charge Period. We calculate the MVA according to the formula described in your contract. In general, if interest rates have **increased** at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contract's Issue Date, the result will be a **negative** MVA. Conversely, if interest rates have **decreased** at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contracts Issue Date, the result will be a **positive** MVA.

The MVA and Surrender Charge do not apply to:

- Lifetime Withdrawals up to the GIA;
- A Withdrawal or Surrender taken as a Medically Related Surrender where the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) is diagnosed with a terminal illness or confined to a Medical Care Facility for 90 consecutive days (subject to regulatory approval) after the Annuity Issue Date;
- Your Free Withdrawal Amount or any Withdrawal or Surrender taken after your Surrender Charge Period expires;
- The Death Benefit;
- The Account Value applied to an Annuity Option on the Annuity Date;
- Withdrawals taken to satisfy distributions required by the tax law ("Required Minimum Distributions") if the amount of the Withdrawal is calculated by Prudential based solely on the value of your Prudential Fixed Annuity].

### What Happens to my Prudential Fixed Annuity Contract Upon Death?

The Prudential Fixed Annuity has a Death Benefit which becomes payable to the Beneficiary if an Owner/Joint Owner (or Annuitant/Joint Annuitant if owned by an entity) dies before the Annuity Date. The Death Benefit is the greater of 1) the Account Value, or 2) the Minimum Guaranteed Surrender Value, as of the date we receive Due Proof of Death in Good Order.

- Payment of the Death Benefit – The Death Benefit may be taken in one lump sum immediately, and the Prudential Fixed Annuity will terminate. The Death Benefit must be fully distributed either:
  - a) over the life (or life expectancy) of the Beneficiary with payments beginning i.) within one year of the Owner's death for Non-Qualified contracts, ii.) by December 31<sup>st</sup> of the year following the Owner's death for Qualified contracts; or
  - b) within 5 years of the Owner's death (or Annuitant/Joint Annuitant's death, if your Prudential Fixed Annuity is owned by an entity).
- Continuation of the Prudential Fixed Annuity by a spouse – Instead of taking the Death Benefit, the surviving spouse may continue the contract (including the Daily Advantage Income Select Benefit if it was elected on a spousal basis) and become the owner provided the spouse is the sole primary beneficiary and continue any payments, if applicable. The Surrender Charge and MVA no longer apply after Spousal Continuance occurs. Please note that a civil union or registered domestic partnership is generally not recognized as a marriage under federal law.

### **How do I Begin Annuity Payments?**

As you approach the Annuity Date, you may choose an Annuity Option. We apply the greater of your 1) Account Value, 2) present value of your GIA (unless your benefit has been terminated before the Annuity Date), or 3) the Minimum Guaranteed Surrender Value based on the Annuity Option chosen and begin paying you Annuity Payments. The latest available Annuity Date is the first contract anniversary on or after the oldest Owner's or Annuitant's 95th birthday. You may choose an earlier Annuity Date as long as you have not surrendered the Annuity, provided it occurs after the fifth contract anniversary, unless otherwise required by applicable law.

Once you elect an Annuity Option and the frequency of payments, you will no longer have Account Value to access. You or your designated payee will receive the Annuity Payments. Once established, however, your Annuity Payments may not be altered or surrendered. There are two Annuity Options available:

- Payments for Life with a Period Certain – Annuity Payments are based on the single life of either the Annuitant or Joint Annuitant, as designated by you, and are guaranteed for at least the certain period you select, subject to IRS regulations, and continue beyond that time for as long as the designated Annuitant lives.
- Joint and Last Survivor- Annuity Payments are based on the lives of the Joint Annuitants and continue for as long as the last surviving Annuitant lives.

If you do not elect an Annuity Option, on the Annuity Date we will begin making monthly Annuity Payments for the life of the named Annuitant with up to a 10-year period certain subject to IRS regulations. The minimum annuity rates for the Annuity Options are described in the contract and guaranteed.

### **Federal Tax Status – Tax Considerations**

An annuity contract is a tax deferred financial instrument. You are not taxed on the interest credited to the contract until it is paid to you. At that time, you will pay tax at the same rate as other ordinary income. You may also be subject to a 10% federal tax penalty if the Withdrawal occurs before age 59½, unless an exception applies (e.g., death, disability, substantially equal periodic payments).

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Withdrawals or Surrenders from a Non-Qualified annuity will be taken first from the taxable portion of your Account Value. All Withdrawals or Surrenders taken prior to the Annuity Date will be taxed as ordinary income until all gain has been withdrawn. Once all gain has been withdrawn, Withdrawals or Surrenders will be treated as a non-taxable return of cost basis until all cost basis has been returned. The portion of a distribution from a Non-Qualified annuity that is considered taxable earnings is also subject to the 3.8% Medicare surtax which impacts higher income taxpayers.

If you elect Annuity Payments from a Non-Qualified annuity a portion of each Annuity Payment you receive will be treated as a partial return of your cost basis and will not be taxed. The remaining portion will be taxed as ordinary income. Please consult with your tax advisor for more information.

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**PRUDENTIAL FIXED ANNUITY IMPORTANT INFORMATION DISCLOSURE STATEMENT**  
**ISSUED ON FORM NUMBER ICC21-P-F-IND(10/21)**

This Disclosure Statement describes how the Prudential Fixed Annuity works. Please review it carefully and keep it for future reference. **Please note that the Prudential Fixed Annuity contract we issue to you contains the complete terms, conditions and additional details. If any statements in this document conflict with the contract, the contract will govern.** In this Disclosure Statement, “you” and “your” refer to the contract owner and “we,” “us” and “our” refer to Pruco Life Insurance Company (“Prudential”), the company issuing the Prudential Fixed Annuity contract.

**What is the Prudential Fixed Annuity?**

The Prudential Fixed Annuity is a modified single premium deferred fixed annuity issued on form number ICC21-P-F-IND(10/21), P-F-IND(10/21) (or state variation thereof) which includes a guaranteed lifetime withdrawal benefit (Daily Advantage Income Select). The Prudential Fixed Annuity is a financial planning tool designed for someone who wants an opportunity for earning tax-deferred interest and a regular stream of income once you elect to begin your Lifetime Withdrawals. Your Purchase Payment(s) will be allocated to the 7 Year Guaranteed Interest Crediting Period. The interest credited for the initial Crediting Period is based on the Initial Interest Crediting Rate effective on the Issue Date of the Annuity for the Crediting Period. The Interest Crediting Rate is an effective annual yield of interest which is compounded and credited daily.

**Who Are the Key Parties to the Prudential Fixed Annuity?**

**Owner/Designated Life** – The person(s) who purchases the contract, and the person(s) from whom we accept instructions regarding the contract. You may name up to two Owners or an Entity. If the spousal version of the benefit is elected, each named Owner must be a natural person. If the contract is Custodially owned, the spousal version of the benefit may be available.

**Annuitant/Joint Annuitant** – The person whose life or lives are used to determine the Annuity Payments. Joint Annuitants are allowed on Non-Qualified contracts only.

**Contingent Annuitant** – The person who becomes the Annuitant if the Annuitant dies before the Annuity Date. We will only accept a Contingent Annuitant on Custodially owned Qualified contracts.

**Beneficiary(ies)** – The person or persons who will receive any Death Benefit if the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) dies before the Annuity Date.

**How do I Establish a Prudential Fixed Annuity?**

You must work with your Financial Professional to determine if the Prudential Fixed Annuity meets your investment time horizon, goals, objectives, financial situation and needs. If so, your Financial Professional can help you apply for the Prudential Fixed Annuity. The minimum cumulative Purchase Payments required to issue a contract is \$25,000. The minimum cumulative Purchase Payments includes any direct funds you provide to us and all amounts that result from an exchange, transfer or rollover from another annuity contract or retirement plan. We will not issue your contract until we receive at least the Minimum Purchase Payment and either (a) all of the expected purchase payments indicated on your Prudential Fixed Annuity application within 120 days from the date you sign the application or b) until you instruct us to issue the contract without all expected purchase payments within 120 days. If the aforementioned conditions have not been met within 120 days, we will not issue your contract. We will not credit interest to Purchase Payment(s) until after the contract is issued. You may make additional Purchase Payments to your Annuity within the first 60 days after your contract is issued. We will not accept any additional Purchase Payment(s) past 60 days after your contract is issued.

**What if I Change my Mind About Opening a Prudential Fixed Annuity?**

You may cancel this Annuity for a refund by notification to us in Good Order or by returning the Annuity to our Service Office or to the representative who sold it to you within 10 days after you receive it, or 30 days if the Annuity is being issued as a replacement for another annuity contract or a life insurance policy, or longer if required by applicable state law for a refund of the Purchase Payment(s).

**What Initial Crediting Periods and Rates Are Available in my Prudential Fixed Annuity?**

The Prudential Fixed Annuity has a 7- Year Initial Crediting Period available. The Interest Crediting Rate for the Initial Crediting Period is assigned on the Issue Date of your Annuity. This rate will be expressed as the effective annual yield of the interest credited daily.

### What Happens at the End of a Crediting Period?

At the end of each Crediting Period, your Account Value in that Crediting Period will automatically renew into a one year Crediting Period. We declare Interest Crediting Rates annually.

### What is The Minimum Amount I am Guaranteed?

The Annuity provides a Minimum Guaranteed Surrender Value. If the contract is terminated by a Surrender, a Death Benefit becomes payable, or on the Annuity Date, the Minimum Guaranteed Surrender Value is equal to:

- a) 87.5% of your Purchase Payment(s) reduced for any state or local premium taxes and any other applicable tax, less
- b) withdrawals net of any applicable Surrender Charge and Market Value Adjustment; plus
- c) interest credited daily at the annual yield of at least 1.00%;

### What is the Daily Advantage Income Select Benefit?

The Daily Advantage Income Select Benefit is an amount of annual income that is available for life, once you start your Lifetime Withdrawals, provided you meet the conditions of the benefit.

### How Does the Daily Advantage Income Select Work?

The Guaranteed Income Amount (GIA) is the amount of annual income that is available for life, once you start your Lifetime Withdrawals. Once your Annuity is issued, we begin calculating your Guaranteed Income Amount (GIA) based on your choice of single life or spousal lives. You may change your designation of single live or spousal lives at any time before you begin your Lifetime Withdrawals. At issue, you are assigned a Withdrawal Percentage based on the age of the Designated Life or the younger of the Spousal Designated Lives as of the Effective Date of the benefit. Your initial GIA equals your Total Purchase Payment(s) multiplied by the applicable Withdrawal Percentage. Prior to your first Lifetime Withdrawal, the GIA will increase at the daily equivalent of a simple interest 'Income Growth Rate' assigned on the Effective Date.

Once you begin income payments, known as Lifetime Withdrawals, you will no longer be able to elect a new designated life status, and we will determine the GIA and withdrawals up to that amount and reduce the Account Value on a dollar for dollar basis for those withdrawals. While there is an Account Value remaining, you may start or stop Withdrawals at any time. Any withdrawals above your GIA are considered Withdrawals of Excess Income and will proportionally reduce your future GIA. For instance, if the Excess Income represents 10% of the Account Value after the Lifetime Withdrawal is taken, then the GIA is immediately reduced by 10%.

If you are not ready to start receiving periodic income payments but would like to take a Withdrawal, you may elect to take 'Non-Lifetime Withdrawals'. You are allowed an unlimited number of Non-Lifetime Withdrawals as long as they are designated as such by you. They will proportionally reduce your GIA and the Income Growth Rate amount credited to your GIA by the percentage the withdrawal represents of the Account Value immediately prior to the withdrawal.

If your Account Value goes to zero (as long as is not due to Withdrawals of Excess Income or a Non-Lifetime Withdrawal), your Lifetime Withdrawals will continue for the remainder of your life. Your payments will be based on your GIA paid by us even if no contract value remains. If your Account Value goes to zero due to Withdrawals of Excess Income, a Non-Lifetime Withdrawal, a payout of the Death Benefit or an election of an Annuity Option, the benefit will terminate.

Example of GIA, interest crediting, and Charge for the Benefit amounts below

Contract Year	Beginning Account Value	Interest Credited	Benefit Charge	GIA Amount Available	GIA Payment Taken	Growth Applied to GIA	End Account Value
Issue	\$100,000	0	0	\$5,850	0	0	\$100,000
1	\$100,000	\$1,000	\$960	\$6,260	0	\$410	\$100,041
2	\$100,041	\$1,000	\$960	\$6,669	0	\$410	\$100,081
3	\$100,081	\$1,001	\$960	\$7,079	0	\$410	\$100,122
4	\$100,122	\$1,001	\$961	\$7,484	0	\$410	\$100,162
5	\$100,162	\$1,002	\$961	\$7,484	\$7,484	0	\$92,715
6	\$92,715	\$927	\$890	\$7,484	\$7,484	0	\$85,264
7	\$85,264	\$853	\$818	\$7,484	\$7,484	0	\$77,811
8	\$77,811	\$778	\$747	\$7,488	\$7,484	0	\$70,355

In this example; Before income begins, the potential GIA amount is calculated by multiplying the total Purchase Payment(s) (\$100,000) by the withdrawal percentage based on the Designated Life's age (or the younger of the Designated Lives) when the contract was issued (5.85% Withdrawal Percentage) (7.0% Income Growth Rate)

### Once I begin taking Lifetime Withdrawals, What Happens if I do Not Take my Full Annual GIA in a Benefit Year?

If you do not take your full annual GIA in a Benefit Year after Lifetime Withdrawals have begun while there is still an Account Value, the unused portion of your GIA will not be available to you in future Benefit Years.

### What is the Cost of the Daily Advantage Income Select Benefit?

The cost of the Single version or Spousal version of the benefit is equal to 0.95% of the Account Value on the contract anniversary and is assessed on the contract anniversary. If the benefit is cancelled after the 5<sup>th</sup> contract year, you surrender the Annuity before a contract/benefit anniversary or the benefit is terminated, we will assess a pro-rata charge for the period from the last contract anniversary up to the date of the surrender of the annuity, cancellation of the benefit or termination of the benefit.

### Can I Cancel the Daily Advantage Income Select Benefit?

You may elect to cancel the benefit at any time on or after the 5<sup>th</sup> anniversary of the Effective Date. If cancelled, the benefit cannot be re-elected.

### What Charges are Associated with Withdrawals from the Prudential Fixed Annuity?

A Surrender Charge applies to Withdrawals or Surrenders that occur during the Surrender Charge Period. The Surrender Charge is determined by applying the applicable Surrender Charge Percentage to the amount of the Withdrawal or Surrender that exceeds the Free Withdrawal Amount (See "How Can I Access Money From my Prudential Fixed Annuity Without Surrender Charges?" below).

The Surrender Charge schedule is as follows:

Contract Year	1	2	3	4	5	6	7	8 and Later
7-Year Surrender Charge Period	7%	6%	5%	4%	3%	2%	1%	0%

### Can I Access Any Money From my Prudential Annuity Without Surrender Charges?

You may access all or a portion of the Account Value at any time before the Annuity Date by taking a Withdrawal or Surrendering the Annuity.

- **Free Withdrawal Amount:** During the first contract year you may withdraw a "Free Withdrawal Amount" equal to or less than 10% of the total Purchase Payment(s). Any withdrawal greater than this value will be subject to a Surrender Charge and Market Value Adjustment (defined below). After the first contract year, until the surrender period is complete, you may withdraw up to 10% of the Account Value as of the previous contract anniversary, reduced for any prior withdrawals since the contract anniversary, without incurring a Surrender Charge, as described above, or Market Value Adjustment "MVA". Any unused Free Withdrawal Amount cannot be carried over into future years.
- **Free Withdrawal Amount under the Daily Advantage Income Select Benefit:** Lifetime Withdrawals are not subject to Surrender Charges or MVA even if the Lifetime Withdrawal(s) exceed the Free Withdrawal Amount. If you take a Lifetime Withdrawal that is greater than the total of your GIA, it is then a withdrawal of Excess Income. Excess Income is subject to a Surrender Charge and MVA. For more information regarding how your withdrawals may impact your values, see "How Does the Daily Advantage Income Select Benefit Work".

### What is a Market Value Adjustment and When is it Applicable?

The Market Value Adjustment ("MVA") is an adjustment (either positive or negative) that is applied when you make a Withdrawal or Surrender request during the Surrender Charge Period. We calculate the MVA according to the formula described in your contract. In general, if interest rates have **increased** at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contract's Issue Date, the result will be a **negative** MVA. Conversely, if interest rates have **decreased** at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contracts Issue Date, the result will be a **positive** MVA.

The MVA and Surrender Charge do not apply to:

- Lifetime Withdrawals up to the GIA;
- A Withdrawal or Surrender taken as a Medically Related Surrender where the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) is diagnosed with a terminal illness or confined to a Medical Care Facility for 90 consecutive days (subject to regulatory approval) after the Annuity Issue Date;
- Your Free Withdrawal Amount or any Withdrawal or Surrender taken after your Surrender Charge Period expires;
- The Death Benefit;
- The Account Value applied to an Annuity Option on the Annuity Date;
- Withdrawals taken to satisfy distributions required by the tax law ("Required Minimum Distributions") if the amount of the Withdrawal is calculated by Prudential based solely on the value of your Prudential Fixed Annuity].

### What Happens to my Prudential Fixed Annuity Contract Upon Death?

The Prudential Fixed Annuity has a Death Benefit which becomes payable to the Beneficiary if an Owner/Joint Owner (or Annuitant/Joint Annuitant if owned by an entity) dies before the Annuity Date. The Death Benefit is the greater of 1) the Account Value, or 2) the Minimum Guaranteed Surrender Value, as of the date we receive Due Proof of Death in Good Order.

- Payment of the Death Benefit – The Death Benefit may be taken in one lump sum immediately, and the Prudential Fixed Annuity will terminate. The Death Benefit must be fully distributed either:
  - a) over the life (or life expectancy) of the Beneficiary with payments beginning i.) within one year of the Owner's death for Non-Qualified contracts, ii.) by December 31<sup>st</sup> of the year following the Owner's death for Qualified contracts; or
  - b) within 5 years of the Owner's death (or Annuitant/Joint Annuitant's death, if your Prudential Fixed Annuity is owned by an entity).
- Continuation of the Prudential Fixed Annuity by a spouse – Instead of taking the Death Benefit, the surviving spouse may continue the contract (including the Daily Advantage Income Select Benefit if it was elected on a spousal basis) and become the owner provided the spouse is the sole primary beneficiary and continue any payments, if applicable. The Surrender Charge and MVA no longer apply after Spousal Continuance occurs. Please note that a civil union or registered domestic partnership is generally not recognized as a marriage under federal law.

### **How do I Begin Annuity Payments?**

As you approach the Annuity Date, you may choose an Annuity Option. We apply the greater of your 1) Account Value, 2) present value of your GIA (unless your benefit has been terminated before the Annuity Date), or 3) the Minimum Guaranteed Surrender Value based on the Annuity Option chosen and begin paying you Annuity Payments. The latest available Annuity Date is the first contract anniversary on or after the oldest Owner's or Annuitant's 95th birthday. You may choose an earlier Annuity Date as long as you have not surrendered the Annuity, provided it occurs after the fifth contract anniversary, unless otherwise required by applicable law.

Once you elect an Annuity Option and the frequency of payments, you will no longer have Account Value to access. You or your designated payee will receive the Annuity Payments. Once established, however, your Annuity Payments may not be altered or surrendered. There are two Annuity Options available:

- Payments for Life with a Period Certain – Annuity Payments are based on the single life of either the Annuitant or Joint Annuitant, as designated by you, and are guaranteed for at least the certain period you select, subject to IRS regulations, and continue beyond that time for as long as the designated Annuitant lives.
- Joint and Last Survivor- Annuity Payments are based on the lives of the Joint Annuitants and continue for as long as the last surviving Annuitant lives.

If you do not elect an Annuity Option, on the Annuity Date we will begin making monthly Annuity Payments for the life of the named Annuitant with up to a 10-year period certain subject to IRS regulations. The minimum annuity rates for the Annuity Options are described in the contract and guaranteed. On the Annuity Date, Annuity Payments will not be less than those provided by any single premium immediate annuity contract offered by us to the same class of annuitants for the same amount applied to the same Annuity Option.

### **Federal Tax Status – Tax Considerations**

An annuity contract is a tax deferred financial instrument. You are not taxed on the interest credited to the contract until it is paid to you. At that time, you will pay tax at the same rate as other ordinary income. You may also be subject to a 10% federal tax penalty if the Withdrawal occurs before age 59½, unless an exception applies (e.g., death, disability, substantially equal periodic payments).

**Non-Qualified annuity-** A Prudential Fixed Annuity purchased with after-tax dollars by an individual or entity. A Non-Qualified annuity does not include an Individual Retirement Annuity under the Internal Revenue Code. Generally, the “cost basis” in a Non-Qualified annuity is the amount you pay into the annuity, or into annuities exchanged for your annuity, on an after-tax basis less any Withdrawals of such payments.

Withdrawals or Surrenders from a Non-Qualified annuity will be taken first from the taxable portion of your Account Value. All Withdrawals or Surrenders taken prior to the Annuity Date will be taxed as ordinary income until all gain has been withdrawn. Once all gain has been withdrawn, Withdrawals or Surrenders will be treated as a non-taxable return of cost basis until all cost basis has been returned. The portion of a distribution from a Non-Qualified annuity that is considered taxable earnings is also subject to the 3.8% Medicare surtax which impacts higher income taxpayers.

If you elect Annuity Payments from a Non-Qualified annuity a portion of each Annuity Payment you receive will be treated as a partial return of your cost basis and will not be taxed. The remaining portion will be taxed as ordinary income. Please consult with your tax advisor for more information.

**Qualified annuity-** A Prudential Fixed Annuity with applicable endorsements for a tax-favored plan or a Non-Qualified annuity held by a tax-favored retirement plan.

For Qualified annuities not issued as a Roth Individual Retirement Annuity (IRA), taxation of the purchase payments and earnings on the purchase payments are deferred until benefits are paid. For contracts issued as a Roth IRA, qualified distributions of earnings are not subject to federal income tax upon distribution. Buying an annuity within an IRA or other qualified plan does not give you any extra tax benefits. Choose your annuity based on its other features and benefits as well as its risks and costs, not its tax benefits.

If you hold an annuity under an IRA (or other tax-favored plan), Required Minimum Distribution rules must be satisfied. This means that generally payments must start by April 1 of the year after the year you reach age 73 and must be made for each year thereafter. Roth IRAs are not subject to these rules during the Owner's lifetime. Please consult with your tax advisor for more information.

This material is for informational or educational purposes only. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. In providing these materials, Pruco Life Insurance Company (Pruco) is not acting as your fiduciary as defined by any applicable laws and regulations. Please consult your own independent advisor as to any tax or legal statements made herein.

**Owner Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Joint Owner Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Annuitant Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Joint/Contingent Annuitant Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Financial Professional Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Pruco Life Insurance Company, Phoenix, AZ**

**Service Office Address:**

1600 Malone Street  
Millville, NJ 08332

1-888-PRU-2888  
www.prudential.com

**PRUDENTIAL FIXED ANNUITY IMPORTANT INFORMATION DISCLOSURE STATEMENT**  
**ISSUED ON FORM NUMBER ICC21-P-F-IND(10/21)**

This Disclosure Statement describes how the Prudential Fixed Annuity works. Please review it carefully and keep it for future reference. This is a summary document and not part of your contact with Pruco Life Insurance Company (“Prudential”). **Please note that the Prudential Fixed Annuity contract we issue to you contains the complete terms, conditions and additional details. If any statements in this document conflict with the contract, the contract will govern.** In this Disclosure Statement, “you” and “your” refer to the contract owner and “we,” “us” and “our” refer to Pruco Life Insurance Company (“Prudential”), the company issuing the Prudential Fixed Annuity contract.

**What is the Prudential Fixed Annuity?**

The Prudential Fixed Annuity is a modified single premium deferred fixed annuity issued on form number ICC21-P-F-IND(10/21) which includes a guaranteed lifetime withdrawal benefit (Daily Advantage Income Select Benefit) provided through rider form ICC21-P-F-GLWB(10/20)NI. The Prudential Fixed Annuity is a financial planning tool designed for someone who wants an opportunity for earning tax-deferred interest and a regular stream of income once you elect to begin your Lifetime Withdrawals. Your Purchase Payment(s) will be allocated to the 7 Year Guaranteed Interest Crediting Period. The interest credited for the initial Crediting Period is based on the Initial Interest Crediting Rate effective on the Issue Date of the Annuity for the Crediting Period. The Interest Crediting Rate is an effective annual yield of interest which is compounded and credited daily.

**Who Are the Key Parties to the Prudential Fixed Annuity?**

**Owner/Designated Life** – The person(s) who purchases the contract, and the person(s) from whom we accept instructions regarding the contract. You may name up to two Owners or an Entity. If the spousal version of the benefit is elected, each named Owner must be a natural person. If the contract is Custodially owned, the spousal version of the benefit may be available.

**Annuitant/Joint Annuitant**– The person whose life or lives are used to determine the Annuity Payments. Joint Annuitants are allowed on Non-Qualified contracts only.

**Contingent Annuitant**- The person who becomes the Annuitant if the Annuitant dies before the Annuity Date. We will only accept a Contingent Annuitant on Custodially owned Qualified contracts.

**Beneficiary(ies)** – The person or persons who will receive any Death Benefit if the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) dies before the Annuity Date.

**How do I Establish a Prudential Fixed Annuity?**

You must work with your Financial Professional to determine if the Prudential Fixed Annuity meets your investment time horizon, goals, objectives, financial situation and needs. If so, your Financial Professional can help you apply for the Prudential Fixed Annuity. The minimum cumulative Purchase Payments required to issue a contract is \$25,000. The minimum cumulative Purchase Payments includes any direct funds you provide to us and all amounts that result from an exchange, transfer or rollover from another annuity contract or retirement plan. We will not issue your contract until we receive at least the Minimum Purchase Payment and either (a) all of the expected premiums indicated on your Prudential Fixed Annuity application within 120 days from the date you sign the application or b) until you instruct us to issue the contract without all expected premiums within 120 days. If the aforementioned conditions have not been met within 120 days, we will not issue your contract. We will not credit interest to Purchase Payment(s) until after the contract is issued. You may make additional Purchase Payments to your Annuity within the first 60 days after your contract is issued. We will not accept any additional Purchase Payment(s) past 60 days after your contract is issued. Your Account value is equal to the total of all Purchase Payments used to issue your Prudential Fixed Annuity plus interest credited minus any withdrawals and expense charges. At any time after the Issue Date, your Account Value equals the sum of the amounts allocated to the Interest Crediting Periods you elect.

**What if I Change my Mind About Opening a Prudential Fixed Annuity?**

You may cancel this Annuity for a refund by notification to us in Good Order or by returning the Annuity to our Service Office or to the representative who sold it to you within 20 days after you receive it, or 30 days if the Annuity is being issued as a replacement for another annuity contract or a life insurance policy, or longer if required by applicable state law for a refund of the Purchase Payment(s).

### What Initial Crediting Periods and Rates Are Available in my Prudential Fixed Annuity?

The Prudential Fixed Annuity has a 7- Year Initial Crediting Period available. The Interest Crediting Rate for the Initial Crediting Period is assigned on the Issue Date of your Annuity. This rate will be expressed as the effective annual yield of the interest credited daily.

### What Happens at the End of a Crediting Period?

At the end of each Crediting Period, your Account Value in that Crediting Period will automatically renew into a one year Crediting Period. We declare Interest Crediting Rates annually.

### What is The Minimum Amount I am Guaranteed?

The Prudential Fixed Annuity provides a Minimum Guaranteed Surrender Value. If the contract is terminated by a Surrender, a Death Benefit becomes payable, or on the Annuity Date, the Minimum Guaranteed Surrender Value is equal to:

- a) 87.5% of your Purchase Payment(s) reduced for any state or local premium taxes and any other applicable tax, less
- b) withdrawals net of any applicable Surrender Charge and Market Value Adjustment; plus
- c) interest credited daily at the annual yield of at least 1.00%;

### What is the Daily Advantage Income Select Benefit?

The Daily Advantage Income Select Benefit is an amount of annual income that is available for life, once you start your Lifetime Withdrawals, provided you meet the conditions of the benefit. There are no optional benefits associated with the annuity. The Daily Advantage Income Select Benefit is automatically elected at the time of purchase.

### How Does the Daily Advantage Income Select Benefit Work?

The Guaranteed Income Amount (GIA) is the amount of annual income that is available for life, once you start your Lifetime Withdrawals. Once your Annuity is issued, we begin calculating your Guaranteed Income Amount (GIA) based on your choice of single life or spousal lives. You may change your designation of single life or spousal lives at any time before you begin your Lifetime Withdrawals. At issue, you are assigned a Withdrawal Percentage based on the age of the Designated Life or the younger of the Spousal Designated Lives as of the Effective Date of the benefit. Your initial GIA equals your Total Purchase Payment(s) multiplied by the applicable Withdrawal Percentage. Prior to your first Lifetime Withdrawal, the GIA will increase at the daily equivalent of a simple interest 'Income Growth Rate' assigned on the Effective Date.

Once you begin income payments, known as Lifetime Withdrawals, you will no longer be able to elect a new designated life status, and we will determine the GIA and withdrawals up to that amount and reduce the Account Value on a dollar for dollar basis for those withdrawals. While there is an Account Value remaining, you may start or stop Withdrawals at any time. Any withdrawals above your GIA are considered Withdrawals of Excess Income and will proportionally reduce your future GIA. For instance, if the Excess Income represents 10% of the Account Value after the Lifetime Withdrawal is taken, then the GIA is immediately reduced by 10%.

If you are not ready to start receiving periodic income payments but would like to take a Withdrawal, you may elect to take 'Non-Lifetime Withdrawals'. You are allowed an unlimited number of Non-Lifetime Withdrawals as long as they are designated as such by you. They will proportionally reduce your GIA and the Income Growth Rate amount credited to your GIA by the percentage the withdrawal represents of the Account Value immediately prior to the withdrawal.

If your Account Value goes to zero (as long as is not due to Withdrawals of Excess Income or a Non-Lifetime Withdrawal), your Lifetime Withdrawals will continue for the remainder of your life. Your payments will be based on your GIA paid by us even if no contract value remains. If your Account Value goes to zero due to Withdrawals of Excess Income, a Non-Lifetime Withdrawal, a payout of the Death Benefit or an election of an Annuity Option, the benefit will terminate.

Example of GIA, interest crediting, and Charge for the Benefit amounts below

Contract Year	Beginning Account Value	Interest Credited	Benefit Charge	GIA Amount Available	GIA Payment Taken	Growth Applied to GIA	End Account Value
Issue	\$100,000	0	0	\$5,850	0	0	\$100,000
1	\$100,000	\$1,000	\$960	\$6,260	0	\$410	\$100,041
2	\$100,041	\$1,000	\$960	\$6,669	0	\$410	\$100,081
3	\$100,081	\$1,001	\$960	\$7,079	0	\$410	\$100,122
4	\$100,122	\$1,001	\$961	\$7,484	0	\$410	\$100,162
5	\$100,162	\$1,002	\$961	\$7,484	\$7,484	0	\$92,715
6	\$92,715	\$927	\$890	\$7,484	\$7,484	0	\$85,264
7	\$85,264	\$853	\$818	\$7,484	\$7,484	0	\$77,811
8	\$77,811	\$778	\$747	\$7,488	\$7,484	0	\$70,355

In this example; Before income begins, the potential GIA amount is calculated by multiplying the total Purchase Payment(s) (\$100,000) by the withdrawal percentage based on the Designated Life's age (or the younger of the Designated Lives) when the contract was issued (5.85% Withdrawal Percentage) (7.0% Income Growth Rate)

**Once I begin taking Lifetime Withdrawals, What Happens if I do Not Take my Full Annual GIA in a Benefit Year?**

If you do not take your full annual GIA in a Benefit Year after Lifetime Withdrawals have begun while there is still an Account Value, the unused portion of your GIA will not be available to you in future Benefit Years.

**What is the Cost of the Daily Advantage Income Select Benefit?**

The cost of the Single version or Spousal version of the benefit is equal to 0.95% of the Account Value on the contract anniversary and is assessed on the contract anniversary. If the benefit is cancelled after the 5<sup>th</sup> contract year, you surrender the Annuity before a contract/benefit anniversary or the benefit is terminated, we will assess a pro-rata charge for the period from the last contract anniversary up to the date of the surrender of the annuity, cancellation of the benefit or termination of the benefit.

**What Charges are Associated with Withdrawals from the Prudential Fixed Annuity?**

A Surrender Charge applies to Withdrawals or Surrenders that occur during the Surrender Charge Period. The Surrender Charge is determined by applying the applicable Surrender Charge Percentage to the amount of the Withdrawal or Surrender that exceeds the Free Withdrawal Amount (See "How Can I Access Money From my Prudential Fixed Annuity Without Surrender Charges?" below).

The Surrender Charge schedule is as follows:

<b>Contract Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8 and Later</b>
[7-Year Surrender Charge Period	7%	6%	5%	4%	3%	2%	1%	0%

<b>Withdrawal Example Based on \$100,000 Premium and a \$20,000 Non-Lifetime Withdrawal of Account Value in Contract Year 2</b>			
<b>Account Value</b>	<b>Free Withdrawal Amount</b>	<b>Surrender Charge %</b>	<b>Surrender Charge Amount</b>
\$100,041	\$10,004	6%	\$600

**Can I Access Any Money From my Prudential Fixed Annuity Without Surrender Charges?**

You may access all or a portion of the Account Value at any time before the Annuity Date by taking a Withdrawal or Surrendering the Annuity.

- **Free Withdrawal Amount:** During the first contract year you may withdraw a "Free Withdrawal Amount" equal to or less than 10% of the total Purchase Payment(s). Any withdrawal greater than this value will be subject to a Surrender Charge and Market Value Adjustment (defined below). After the first contract year, until the surrender period is complete, you may withdraw up to 10% of the Account Value as of the previous contract anniversary, reduced for any prior withdrawals since the contract anniversary, without incurring a Surrender Charge, as described above, or Market Value Adjustment "MVA". Any unused Free Withdrawal Amount cannot be carried over into future years.
- **Free Withdrawal Amount under the Daily Advantage Income Select Benefit:** Lifetime Withdrawals are not subject to Surrender Charges or MVA even if the Lifetime Withdrawal(s) exceed the Free Withdrawal Amount. If you take a Lifetime Withdrawal that is greater than the total of your GIA, it is then a withdrawal of Excess Income. Excess Income is subject to a Surrender Charge and MVA. For more information regarding how your withdrawals may impact your values, see "How Does the Daily Advantage Income Select Benefit Work".

**What is a Market Value Adjustment and When is it Applicable?**

The Market Value Adjustment ("MVA") is an adjustment (either positive or negative) that is applied when you make a Withdrawal or Surrender request during the Surrender Charge Period. We calculate the MVA according to the formula described in your contract. In general, if interest rates have *increased* at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contract's Issue Date, the result will be a *negative* MVA. Conversely, if interest rates have *decreased* at the time of the Withdrawal or Surrender request in comparison to the interest rates on the contracts Issue Date, the result will be a *positive* MVA. The MVA and Surrender Charge do not apply to:

- Lifetime Withdrawals up to the GIA;
- A Withdrawal or Surrender taken as a Medically Related Surrender where the Owner (or Annuitant if your Prudential Fixed Annuity is owned by an entity) is diagnosed with a terminal illness or confined to a Medical Care Facility for 90 consecutive days (subject to regulatory approval) after the Annuity Issue Date;
- Your Free Withdrawal Amount or any Withdrawal or Surrender taken after your Surrender Charge Period expires;
- The Death Benefit;
- The Account Value applied to an Annuity Option on the Annuity Date;

- Withdrawals taken to satisfy distributions required by the tax law (“Required Minimum Distributions”) if the amount of the Withdrawal is calculated by Prudential based solely on the value of your Prudential Fixed Annuity.

### **What Happens to my Prudential Fixed Annuity Contract Upon Death?**

The Prudential Fixed Annuity has a Death Benefit which becomes payable to the Beneficiary if an Owner/Joint Owner (or Annuitant/Joint Annuitant if owned by an entity) dies before the Annuity Date. The Death Benefit is the greater of 1) the Account Value, 2) the Minimum Guaranteed Surrender Value, as of the date we receive Due Proof of Death in Good Order.

- Payment of the Death Benefit – The Death Benefit may be taken in one lump sum immediately, and the Prudential Fixed Annuity will terminate. The Death Benefit must be fully distributed either:
  - a) over the life (or life expectancy) of the Beneficiary with payments beginning i.) within one year of the Owner's death for Non-Qualified contracts, ii.) by December 31<sup>st</sup> of the year following the Owner's death for Qualified contracts; or
  - b) within 5 years of the Owner's death (or Annuitant/Joint Annuitant's death, if your Prudential Fixed Annuity is owned by an entity).
- Continuation of the Prudential Fixed Annuity by a spouse – Instead of taking the Death Benefit, the surviving spouse may continue the contract (including the Daily Advantage Income Select Benefit if it was elected on a spousal basis) and become the owner provided the spouse is the sole primary beneficiary and continue any payments, if applicable. The Surrender Charge and MVA no longer apply after Spousal Continuance occurs. The spousal provisions, benefits, and features under the contract are also applicable to a civil union partnership recognized under the New Jersey Civil Union Act (P.L. 2006, c.103). For more information regarding federal tax law please consult a tax advisor.

### **How do I Begin Annuity Payments?**

As you approach the Annuity Date, you may choose an Annuity Option. We apply the greater of your 1) Account Value, 2) present value of your GIA (unless your benefit has been terminated before the Annuity Date), or 3) the Minimum Guaranteed Surrender Value based on the Annuity Option chosen and begin paying you Annuity Payments. The latest available Annuity Date is the first contract anniversary on or after the oldest Owner's or Annuitant's 95th birthday. You may choose an earlier Annuity Date as long as you have not surrendered the Annuity, provided it occurs after the fifth contract anniversary, unless otherwise required by applicable law.

Once you elect an Annuity Option and the frequency of payments, you will no longer have Account Value to access. You or your designated payee will receive the Annuity Payments. Once established, however, your Annuity Payments may not be altered or surrendered. There are two Annuity Options available:

- Payments for Life with a Period Certain – Annuity Payments are based on the single life of either the Annuitant or Joint Annuitant, as designated by you, and are guaranteed for at least the certain period you select, subject to IRS regulations, and continue beyond that time for as long as the designated Annuitant lives.
- Joint and Last Survivor- Annuity Payments are based on the lives of the Joint Annuitants and continue for as long as the last surviving Annuitant lives.

If you do not elect an Annuity Option, on the Annuity Date we will begin making monthly Annuity Payments for the life of the named Annuitant with up to a 10-year period certain subject to IRS regulations. The minimum annuity rates for the Annuity Options are described in the contract and guaranteed. On the Annuity Date, Annuity Payments will not be less than those provided by any single premium immediate annuity contract offered by us to the same class of annuitants for the same amount applied to the same Annuity Option.

### **Federal Tax Status – Tax Considerations**

An annuity contract is a tax deferred financial instrument. You are not taxed on the interest credited to the contract until it is paid to you. At that time, you will pay tax at the same rate as other ordinary income. You may also be subject to a 10% federal tax penalty if the Withdrawal occurs before age 59½, unless an exception applies (e.g., death, disability, substantially equal periodic payments). A tax deferred annuity can be exchanged for another tax deferred annuity without paying taxes on the earnings.

**Non-Qualified annuity-** A Prudential Fixed Annuity purchased with after-tax dollars by an individual or entity. A Non-Qualified annuity does not include an Individual Retirement Annuity under the Internal Revenue Code. Generally, the “cost basis” in a Non-Qualified annuity is the amount you pay into the annuity, or into annuities exchanged for your annuity, on an after-tax basis less any Withdrawals of such payments. Withdrawals or Surrenders from a Non-Qualified annuity will be taken first from the taxable portion of your Account Value. All Withdrawals or Surrenders taken prior to the Annuity Date will be taxed as ordinary income until all gain has been withdrawn. Once all gain has been withdrawn, Withdrawals or Surrenders will be treated as a non-taxable return of cost

basis until all cost basis has been returned. The portion of a distribution from a Non-Qualified annuity that is considered taxable earnings is also subject to the 3.8% Medicare surtax which impacts higher income taxpayers.

If you elect Annuity Payments from a Non-Qualified annuity a portion of each Annuity Payment you receive will be treated as a partial return of your cost basis and will not be taxed. The remaining portion will be taxed as ordinary income. Please consult with your tax advisor for more information.

**Qualified annuity-** A Prudential Fixed Annuity with applicable endorsements for a tax-favored plan or a Non-Qualified annuity held by a tax-favored retirement plan. For Qualified annuities not issued as a Roth Individual Retirement Annuity (IRA), taxation of the premium and earnings on the premium are deferred until benefits are paid. For contracts issued as a Roth IRA, qualified distributions of earnings are not subject to federal income tax upon distribution. Buying an annuity within an IRA or other qualified plan does not give you any extra tax benefits. Choose your annuity based on its other features and benefits as well as its risks and costs, not its tax benefits. If you hold an annuity under an IRA (or other tax-favored plan), Required Minimum Distribution rules must be satisfied. This means that generally payments must start by April 1 of the year after the year you reach age 70½ and must be made for each year thereafter. Roth IRAs are not subject to these rules during the Owner's lifetime. Please consult with your tax advisor for more information.

**Transactions in the State of New Jersey -** This annuity, the solicitation, negotiation and sale are subject to regulatory oversight by the State of New Jersey Department of Banking and Insurance. For questions, contact us via our toll-free consumer assistance hotline at 1.800.446.7467. Or, you may write to us at the following address:

NJ Department of Banking and Insurance  
20 West State Street, PO Box 325  
Trenton, NJ 08625

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