

# The Variable Annuity Life Insurance Company Separate Account A

## Independence Plus Units of Interest under Group and Individual Fixed and Variable Deferred Annuity Contracts

### Prospectus

May 1, 2019

This prospectus offers flexible and single payment group and individual fixed and variable deferred annuity contracts (the "Contracts"). The Contracts are offered to Participants in certain employer-sponsored qualified retirement plans. Nonqualified Contracts are also available for certain employer-sponsored plans as well as for certain after-tax arrangements that are not part of an employer's plan.

The Contracts permit Participants to invest in and receive retirement benefits in up to 7 out of a total of 12 Fixed and Variable Account Options described in this prospectus. Each Variable Account Option invests in a separate portfolio of VALIC Company I.

Any guarantees under the Contract, including the death benefit, that exceed the value of your interest in the VALIC Separate Account A ("Separate Account") are paid from our general account (and not the Separate Account). Therefore, any amounts that we may pay under the Contract in excess of your interest in the Separate Account are subject to our financial strength and claims-paying ability and our long-term ability to make such payments.

#### Variable Account Options

Asset Allocation Fund	International Equities Index Fund
Capital Conservation Fund	International Government Bond Fund
Global Social Awareness Fund	Mid Cap Index Fund
Government Money Market I Fund	Small Cap Index Fund
Government Securities Fund	Stock Index Fund

This prospectus provides information employers and Participants should know before investing in the Contracts and will help each make decisions for selecting various investment options and benefits. Please read and retain this prospectus for future reference.

A Statement of Additional Information ("SAI"), dated May 1, 2019, contains additional information about the Contracts and is part of this prospectus. For a free copy call 1-800-448-2542. The table of contents for the SAI is shown at the end of this prospectus. The SAI has been filed with the Securities and Exchange Commission ("SEC") and is available along with other related materials at the SEC's Internet web site (<http://www.sec.gov>).

**Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the shareholder reports for variable account options available under your Contract will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from VALIC electronically by contacting us at 1-800-448-2542 or logging into your account at VALIC Online at [www.valic.com](http://www.valic.com).**

**You may elect to receive all future reports in paper free of charge. You can inform VALIC that you wish to continue receiving paper copies of your shareholder reports by contacting 1-866-345-5954 or visiting [FundReports.com](http://FundReports.com) and providing the 20-digit unique ID located above or below your mailing address. Your election to receive reports in paper will apply to all variable account options available under your Contract.**

Investment in the Contracts is subject to risk that may cause the value of the owner's investment to fluctuate, and when the Contracts are surrendered, the value may be higher or lower than the purchase payments.

The SEC has not approved or disapproved these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

# Table of Contents

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<b>Glossary of Terms</b> .....	2	<b>Payout Period</b> .....	16
<b>Fee Tables</b> .....	3	Fixed Payout.....	16
<b>Selected Purchase Unit Data</b> .....	4	Assumed Investment Rate .....	17
<b>Summary</b> .....	5	Variable Payout.....	17
<b>General Information</b> .....	7	Combination Fixed and Variable Payout .....	17
About the Contracts.....	7	Partial Annuitization .....	17
About VALIC.....	7	Payout Date .....	17
American Home Assurance Company .....	8	Payout Options .....	18
About VALIC Separate Account A.....	8	Payout Information.....	18
Units of Interest.....	8	<b>Surrender of Account Value</b> .....	19
Distribution of the Contracts .....	8	When Surrenders Are Allowed .....	19
Administration of the Contracts .....	9	Surrender Process.....	19
<b>Fixed Account Options</b> .....	9	Amount That May Be Surrendered .....	19
<b>Variable Account Options</b> .....	10	Surrender Restrictions .....	20
<b>Purchase Period</b> .....	11	Partial Surrenders .....	20
Account Establishment.....	11	<b>Exchange Privileges</b> .....	20
When Your Account Will be Credited .....	12	<b>Death Benefits</b> .....	20
Purchase Units.....	12	The Process .....	20
Calculation of Value for the Fixed		Beneficiary Information .....	21
Account Options.....	12	Special Information for Individual	
Calculation of Value for the Variable		Nonqualified Contracts .....	21
Account Options.....	12	During the Purchase Period.....	21
Stopping Purchase Payments.....	13	During the Payout Period .....	21
<b>Transfers Between Investment Options</b> .....	13	<b>Other Contract Features</b> .....	22
During the Purchase Period – Policy		Changes that may not be Made .....	22
Against Market Timing and		Change of Beneficiary.....	22
Frequent Transfers .....	13	Cancellation -- The "Free Look" Period.....	22
Communicating Transfer or		We Reserve Certain Rights .....	22
Reallocation Instructions.....	14	Relationship to Employer’s Plan.....	23
Effective Date of Transfer.....	14	<b>Voting Rights</b> .....	23
Transfers During the Payout Period .....	14	Who May Give Voting Instructions .....	23
<b>Fees and Charges</b> .....	15	Determination of Fund Shares	
Account Maintenance Charge .....	15	Attributable to Your Account.....	23
Surrender Charge.....	15	How Fund Shares are Voted.....	23
Premium Tax Charge.....	16	<b>Federal Tax Matters</b> .....	23
Separate Account Charges.....	16	Types of Plans .....	24
Other Charges.....	16	Tax Consequences in General .....	24
		<b>Legal Proceedings</b> .....	26
		<b>Financial Statements</b> .....	26
		<b>Table of Contents of Statement</b>	
		<b>of Additional Information</b> .....	26

## Glossary of Terms

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Unless otherwise specified in this prospectus, the words "we," "us," "our," "Company," and "VALIC" mean The Variable Annuity Life Insurance Company and the words "you" and "your" mean the Participant or the individual purchasing an individual Contract. Other specific terms we use in this prospectus are:

**Account Value** – the total sum of your Fixed Account Option and/or Variable Account Option that has not yet been applied to your Payout Payments.

**Annuitant** – the individual (in most cases, you) to whom Payout Payments will be paid.

**Assumed Investment Rate** – the rate used to determine your first monthly Payout Payment per thousand dollars of account value in your Variable Account Option.

**Beneficiary** – the individual designated to receive Payout Payments upon the death of the Annuitant.

**Business Day** – any weekday that the New York Stock Exchange ("NYSE") is open for trading. Normally, the NYSE is open Monday through Friday through 4:00 p.m. Eastern time ("Market Close"). On holidays or other days when the NYSE is closed, such as Good Friday, the Company is not open for business.

**Contract Owner** – the individual or entity to whom the Contract is issued. For a group Contract, the Contract Owner will be the employer purchasing the Contract for a retirement plan.

**Division** – the portion of the Separate Account invested in a particular Mutual Fund. Each Division is a sub-account of VALIC Separate Account A.

**Fixed Account Option** – an account that is guaranteed to earn at least a minimum rate of interest while invested in VALIC's general account.

**Home Office** – located at 2929 Allen Parkway, Houston, Texas 77019.

**Mutual Fund or Fund** – the investment portfolio(s) of a registered open-end management investment company, which serves as the underlying investment vehicle for each Division represented in VALIC Separate Account A.

**Participant** – the individual (in most cases, you) who makes Purchase Payments or for whom Purchase Payments are made.

**Participant Year** – a 12-month period starting with the issue date of a Participant's Contract certificate and each anniversary of that date.

**Payout Payments** – annuity payments withdrawn in a steady stream during the Payout Period.

**Payout Period** – the time when you begin to withdraw your money in Payout Payments. This may also be called the "Annuity Period."

**Payout Unit** – a measuring unit used to calculate Payout Payments from your Variable Account Option. Payout Units measure value, which is calculated just like the Purchase Unit value for each Variable Account Option except that the initial Payout Unit includes a factor for the Assumed Investment Rate selected. Payout Unit values will vary with the investment experience of the VALIC Separate Account A Division in which you are invested.

**Proof of Death** – a certified copy of the death certificate, a certified copy of a decree of a court of competent jurisdiction as to death, a written statement by an attending physician, or any other proof satisfactory to VALIC.

**Purchase Payments** – an amount of money you or your employer pay to VALIC to receive the benefits of a Contract.

**Purchase Period** – the accumulation period, or time between your first Purchase Payment and the beginning of your Payout Period (or surrender).

**Purchase Unit** – a unit of interest owned by you in your Variable Account Option.

**Systematic Withdrawals** – payments withdrawn on a regular basis during the Purchase Period.

**VALIC Separate Account A or Separate Account** – a segregated asset account established by VALIC under the Texas Insurance Code. The purpose of the VALIC Separate Account A is to receive and invest your Purchase Payments and Account Value in the Variable Account Option, if selected.

**Variable Account Option** – investment options that correspond to Separate Account Divisions offered by the Contracts.

## Fee Tables

The following tables describe the fees and expenses that you may pay when buying, owning, and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract or surrender the Contract.

### Contract Owner/Participant Transaction Expenses

Surrender Charge (as a percentage of the lesser of all Purchase Payments received during the last 60 months or the amount surrendered, as applicable) <sup>(1)</sup>	5.00%
Maximum Loan Application Fee (per loan)	\$60
State Premium Taxes (as a percentage of the amount annuitized)	0-3.5%

(1) No surrender charge will be applied if your account has been in effect for 15 years or longer, or your account has been in effect for 5 years or longer and you have attained age 59 ½. There will be no surrender charge on Purchase Payments received more than 60 months prior to surrender. Also, in any Participant Year, withdrawals of up to 10% of Account Value may be withdrawn without a surrender charge.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including the Variable Account Option fees and expenses.

### Annual Separate Account Expenses

Account Maintenance Charge	
First Year	\$5.00 per quarter
Thereafter	\$3.75 per quarter
Mortality and Expense Risk (as a percentage of Separate Account net assets)	1.00%

The next table shows the minimum and maximum total operating expenses charged by the Mutual Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Mutual Funds' fees and expenses is contained in the prospectus for each Fund.

Total Annual Mutual Fund Operating Expenses	Minimum	Maximum
(Expenses that are deducted from the assets of a Mutual Fund, including management fees, distribution and/or service (12b-1) fees, and other expenses)	0.34%	0.78%

### Example

This example is intended to help you compare the cost of investing in the Contract with the cost of investing in other variable annuity contracts. These costs include Contract Owner/Participant transaction expenses, Contract fees, Separate Account annual expenses and the Variable Account Option fees and expenses.

The example assumes that you invest a single Purchase Payment of \$10,000 in the Contract for the time periods indicated. The example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses for a Variable Account Option (0.78%). The example does not include the effect of premium taxes upon annuitization, which, if reflected, would result in higher costs. Although your actual costs may be higher or lower, based on these assumptions, the costs would be:

(1) If you surrender your Contract at the end of the applicable time period:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$664	\$1,102	\$1,542	\$2,239

(2) If you annuitize at the end of the applicable time period or you do not surrender your Contract:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$201	\$609	\$1,042	\$2,239

The following example assumes that you invest \$10,000 in the Contract for the time periods indicated and that your investment has a 5% return each year, but assumes the minimum fees and expenses for a Variable Account Option (0.34%). Although your actual costs may be higher or lower, based on these assumptions, the costs would be:

(1) If you surrender your Contract at the end of the applicable time period:

<b><u>1 Year</u></b>	<b><u>3 Years</u></b>	<b><u>5 Years</u></b>	<b><u>10 Years</u></b>
\$622	\$973	\$1,312	\$1,761

(2) If you annuitize at the end of the applicable time period or you do not surrender your Contract:

<b><u>1 Year</u></b>	<b><u>3 Years</u></b>	<b><u>5 Years</u></b>	<b><u>10 Years</u></b>
\$156	\$474	\$812	\$1,761

Note: This example should not be considered representative of past or future expenses for VALIC Separate Account A or for any Mutual Fund. Actual expenses may be greater or less than those shown above. Similarly, the 5% annual rate of return assumed in the examples is not an estimate or guarantee of future investment performance.

## **Selected Purchase Unit Data**

Purchase Units shown are for a Purchase Unit outstanding throughout the year for each Variable Account Option.

<b><u>Fund Name</u></b>	<b><u>Year</u></b>	<b><u>Unit Value at 1/1</u></b>	<b><u>Unit Value at 12/31</u></b>	<b><u>Number of Units Outstanding at 12/31</u></b>	<b><u>Fund Name</u></b>	<b><u>Year</u></b>	<b><u>Unit Value at 1/1</u></b>	<b><u>Unit Value at 12/31</u></b>	<b><u>Number of Units Outstanding at 12/31</u></b>
Asset Allocation Fund (Division 5)					Global Social Awareness Fund (Division 12)				
	2018	8.800	7.931	5,127,495		2018	7.100	6.439	3,387,934
	2017	7.853	8.800	5,621,886		2017	5.847	7.100	3,646,037
	2016	7.391	7.853	6,056,434		2016	5.522	5.847	3,998,614
	2015	7.500	7.391	6,804,753		2015	5.596	5.522	4,495,275
	2014	7.190	7.500	7,437,497		2014	5.235	5.596	4,843,251
	2013	6.262	7.190	8,011,217		2013	4.103	5.235	5,156,913
	2012	5.582	6.262	8,647,657		2012	3.533	4.103	5,419,767
	2011	5.586	5.582	10,743,259		2011	3.804	3.533	5,938,032
	2010	4.925	5.586	10,105,583		2010	3.423	3.804	6,548,441
	2009	4.024	4.925	11,007,958		2009	2.628	3.423	7,299,794
Capital Conservation Fund (Division 7)					Government Money Market I Fund (Div.6)				
	2018	3.797	3.718	2,034,249		2018	1.975	1.981	1,881,454
	2017	3.705	3.797	2,157,980		2017	1.987	1.975	1,763,972
	2016	3.659	3.705	2,398,526		2016	2.006	1.987	2,031,172
	2015	3.688	3.659	2,587,995		2015	2.027	2.006	2,044,698
	2014	3.515	3.688	3,086,425		2014	2.047	2.027	2,151,708
	2013	3.637	3.515	3,464,023		2013	2.067	2.047	2,561,370
	2012	3.463	3.637	3,884,980		2012	2.088	2.067	3,267,193
	2011	3.274	3.463	4,035,449		2011	2.109	2.088	3,720,783
	2010	3.067	3.274	4,535,082		2010	2.129	2.109	4,488,754
	2009	2.790	3.067	4,327,145		2009	2.144	2.129	5,255,436

<u>Fund Name</u>	<u>Year</u>	<u>Unit Value at 1/1</u>	<u>Unit Value at 12/31</u>	<u>Number of Units Outstanding at 12/31</u>	<u>Fund Name</u>	<u>Year</u>	<u>Unit Value at 1/1</u>	<u>Unit Value at 12/31</u>	<u>Number of Units Outstanding at 12/31</u>
Government Securities Fund (Division 8)					Mid Cap Index Fund (Division 4)				
	2018	3.593	3.575	1,910,258		2018	24.643	21.607	9,273,258
	2017	3.556	3.593	2,131,897		2017	21.474	24.643	10,342,298
	2016	3.548	3.556	2,389,246		2016	17.980	21.474	11,380,359
	2015	3.555	3.548	2,617,340		2015	18.627	17.980	12,753,189
	2014	3.403	3.555	2,839,455		2014	17.196	18.627	14,077,790
	2013	3.589	3.403	3,145,146		2013	13.048	17.196	15,383,990
	2012	3.496	3.589	3,813,723		2012	11.215	13.048	16,846,928
	2011	3.216	3.496	4,248,269		2011	11.559	11.215	18,821,190
	2010	3.125	3.216	5,858,895		2010	9.248	11.559	21,008,131
	2009	3.280	3.125	5,450,389		2009	6.755	9.248	23,278,076
International Equities Index Fund (Division 11)					Small Cap Index Fund (Division 14)				
	2018	2.211	1.888	14,402,970		2018	7.786	6.843	8,618,024
	2017	1.795	2.211	15,083,454		2017	6.875	7.786	9,534,986
	2016	1.790	1.795	15,758,959		2016	5.730	6.875	10,520,984
	2015	1.827	1.790	17,982,788		2015	6.060	5.730	11,581,597
	2014	1.952	1.827	19,861,858		2014	5.842	6.060	12,751,276
	2013	1.657	1.952	21,349,048		2013	4.256	5.842	14,042,745
	2012	1.430	1.657	23,216,528		2012	3.705	4.256	15,252,529
	2011	1.662	1.430	26,556,822		2011	3.910	3.705	16,843,242
	2010	1.548	1.662	29,555,862		2010	3.121	3.910	18,694,088
	2009	1.206	1.548	32,323,026		2009	2.458	3.121	20,365,080
International Government Bond Fund (Division 13)					Stock Index Fund (Division 10C)				
	2018	3.188	3.058	1,224,799		2018	11.549	10.894	26,947,449
	2017	2.979	3.188	1,344,548		2017	9.608	11.549	29,939,260
	2016	2.900	2.979	1,547,904		2016	8.695	9.608	32,444,530
	2015	3.031	2.900	1,689,312		2015	8.692	8.695	36,415,485
	2014	3.020	3.031	2,006,540		2014	7.750	8.692	39,698,693
	2013	3.232	3.020	2,219,692		2013	5.934	7.750	43,084,096
	2012	3.005	3.232	2,717,929		2012	5.186	5.934	47,455,743
	2011	2.905	3.005	3,084,761		2011	5.144	5.186	51,876,211
	2010	2.714	2.905	3,411,281		2010	4.530	5.144	57,310,411
	2009	2.457	2.714	3,544,937		2009	3.627	4.530	63,464,253

## Summary

Independence Plus is VALIC's combination fixed and variable annuity that offers you a wide choice of investment options and flexibility. A summary of Independence Plus's major features is presented below. For a more detailed discussion of Independence Plus, please read the entire prospectus carefully.

### Fixed and Variable Options

Independence Plus offers a choice from among 2 Fixed Account Options and 10 Variable Account Options. Each of the Variable Account Options is a series of VALIC Company I. Participants will not be able to invest in all of the Variable Account Options described below within a single group or individual annuity contract. If your Contract is part of an employer's retirement

program, that program will describe which Variable Account Options are available to you. The two Fixed Account Options are Fixed Account Plus and the Short-Term Fixed Account that are each part of the general account assets of the Company. *See the "Fixed Account Option" and "Variable Account Option" sections below.*

### Guaranteed Death Benefit

The Contract offers a death benefit upon the death of the Annuitant during the Purchase Period equal to the greater of Account Value or Purchase Payments reduced by withdrawals.

## Transfers

There is no charge to transfer the money in your account among the Contract's investment options. You may transfer your Account Value between Variable Account Options at any time during the Purchase Period, subject to certain rules. *For more information on account transfers, see the "Transfers Between Investment Options" section in this prospectus.*

Your Account Value in the Short-Term Fixed Account must remain there for at least 90 days before it can be transferred to other investment options. In Fixed Account Plus, up to 20% of your Account Value may be transferred during each Participant Year to other investment options.

Once you begin receiving annuity payments from your account (during the Payout Period), you may still transfer funds among Variable Account Options once every 365 days.

## Fees and Charges

*Account Maintenance Charge.* During the first Participant Year, a quarterly account maintenance charge of \$5.00 is charged to your account. After the first Participant Year, the quarterly account maintenance charge is \$3.75.

*Surrender Charge.* Under some circumstances a surrender charge is deducted from your account. These situations are discussed in detail in the section of this prospectus entitled "Fees and Charges - Surrender Charge" section of the prospectus. When this happens, the surrender charge is computed in two ways and you are charged whichever amount is less. The first amount is simply 5% of whatever amount you have withdrawn. The second amount is 5% of the contributions you made to your account during the last 60 months.

Withdrawals are always subject to your plan provisions and federal tax restrictions, which generally include a tax penalty on withdrawals made prior to age 59 ½.

*Premium Tax Charge.* Premium taxes ranging from zero to 3.5% are currently imposed by certain states and municipalities. *For a detailed discussion on timing and deduction of premium taxes see the section of this prospectus entitled "Fees and Charges -- Premium Tax Charge."*

*Separate Account Charges.* If you choose a Variable Account Option you will incur a mortality and expense risk fee computed at an aggregate annualized rate of 1.00% on the average daily net asset value of your Contract allocated to the Variable Account Option. Since some of these fees may not apply to your Contract,

consult your VALIC financial advisor to see how these provisions apply to you.

## Payout Options

When you withdraw your money, you can select from several payout options: an annuity (which guarantees payment for as long as you live), periodic withdrawals and systematic withdrawals. More information on payout options can be found in the "Payout Period" section of this prospectus.

## Federal Tax Information

Although deferred annuity contracts such as these Contracts can be purchased with after-tax dollars, they are primarily used in connection with retirement programs that already receive favorable tax treatment under federal law.

Annuities, custodial accounts and trusts used to fund tax-qualified retirement plans and programs (such as those established under Internal Revenue Code of 1986, as amended ("Code") sections 403(b) or 401(k) and individual retirement plans ("IRAs") generally defer payment on taxes and earnings until withdrawal. If you are considering an annuity to fund a tax-qualified plan or program, you should know that an annuity generally does not provide additional tax deferral beyond the tax-qualified plan or program itself. Annuities, however, may provide other important features and benefits such as the income payout option, which means that you can choose to receive periodic payments for the rest of your life or for a certain number of years, and a minimum guaranteed death benefit, which protects your Beneficiaries if you die before you begin the income payout option. Before purchasing a deferred annuity for use in a qualified retirement plan or program, you should see tax advice from your own tax advisor. *For a more detailed discussion of these income tax provisions, see "Federal Tax Matters" section in this prospectus.*

## Purchase Requirements

If the Contract is a flexible Purchase Payment Contract, Purchase Payments may be made at any time but each Purchase Payment must be at least \$30 per Participant account. The amount of each Purchase Payment allocated to each Variable Account Option and Fixed Account Option must also be at least \$30. If the Contract is a single Purchase Payment Contract, the minimum Purchase Payment is \$1,000 per Participant account. These minimums may be waived where one purchaser, such as an employer, purchases a number of Contracts.

## **Cancellation – The "Free Look" Period**

The Contract Owner of a group Contract (employer) or individual Contract Owner may cancel a Contract by returning it to the Company within 10 days after it is received. The free look does not apply to Participant certificates except in a limited number of states. To cancel the Contract, the Contract Owner must send a written request for cancellation and return the Contract to us at our Home Office before the end of the "Free Look" period. A refund will be made to the Contract Owner within seven days after receipt of the Contract as required.

## **General Information**

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### **About the Contracts**

The Contracts were developed to help you save money for your retirement. A group Contract is a Contract that is purchased by an employer for a retirement plan. The employer and the plan documents will determine how contributions may be made to the Contracts. For example, the employer and plan documents may allow contributions to come from different sources, such as payroll deductions or money transfers. The amount, number, and frequency of your Purchase Payments may also be determined by the retirement plan for which your Contract was purchased. Likewise, the employer's plan may have limitations on partial or total withdrawals (surrenders), the start of annuity payments, and the type of annuity payout options you select.

The Contracts offer a combination of fixed and variable investment options that you, as a Participant, may choose to invest in to help you reach your retirement savings goals. You should consider your personal risk tolerances and your retirement plan in choosing your investment options. You will be permitted to select up to seven investment options.

The retirement savings process with the Contracts will involve two stages: the accumulation Purchase Period, and the annuity Payout Period. The accumulation period is when you make contributions into the Contracts called "Purchase Payments." The Payout Period begins when you decide to annuitize all or a portion of your Account Value. You can select from a wide array of payout options including both fixed and variable payments. For certain types of retirement plans, such as 403(b) plans, there may be statutory restrictions on withdrawals as disclosed in the plan documents. Please refer to your plan document for guidance and any rules or restrictions regarding the accumulation or annuitization periods. *For*

### **Loans**

Certain Contracts may offer a tax-free loan provision for tax-qualified Contracts, other than IRAs, which gives you access to your money in the Fixed Account Options (subject to a minimum loan amount of \$1,000). The availability of loans is subject to federal and state government regulations, as well as your employer's plan provisions and VALIC policy. Generally, one loan per account will be allowed. Under certain, specific circumstances, a maximum of two loans per account may be allowed. VALIC reserves the right to change this limit. We may charge a loan application fee if permitted under state law. Keep in mind that tax laws restrict withdrawals prior to age 59 ½ and a tax penalty may apply (including on a loan that is not repaid).

*more information, see "Purchase Period" and "Payout Period" section in this prospectus.*

### **About VALIC**

We were originally organized on December 21, 1955 as The Variable Annuity Life Insurance Company of America Incorporated, located in Washington, D.C. We re-organized in the State of Texas on August 20, 1968, as Variable Annuity Life Insurance Company of Texas. The name was changed to The Variable Annuity Life Insurance Company on November 5, 1968. Our main business is issuing and offering fixed and variable retirement annuity contracts, like the Contracts. Our principal offices are located at 2929 Allen Parkway, Houston, Texas 77019. We have regional offices throughout the United States.

On August 29, 2001, SunAmerica Financial Group, Inc., formerly American General Corporation ("SAFG"), a holding company and VALIC's indirect parent company, was acquired by American International Group, Inc., a Delaware corporation ("AIG"). As a result, VALIC is an indirect, wholly owned subsidiary of AIG. AIG is a leading global insurance organization. AIG provides a wide range of property and casualty insurance, life insurance, retirement products, and other financial services to commercial and individual customers in more than 80 countries and jurisdictions. AIG common stock is listed on the New York Stock Exchange.

More information about AIG may be found in the regulatory filings AIG files from time to time with the SEC at [www.sec.gov](http://www.sec.gov).



## **American Home Assurance Company**

Insurance obligations under Contracts issued by the Company are guaranteed by American Home Assurance Company ("American Home"), an affiliate of the Company. Insurance obligations include, without limitation, Contract value invested in any available fixed account option, death benefits and income options. The guarantee does not guarantee Contract value or the investment performance of the Variable Account Options available under the Contracts. The guarantee provides that the Company's Contract owners can enforce the guarantee directly.

American Home provided notice of termination of the General Guarantee Agreement dated March 3, 2003 (the "Guarantee") with respect to contracts issued by VALIC. The Guarantee terminated on December 29, 2006 at 4:00 p.m. Eastern Time ("Point of Termination"). Pursuant to its terms, the Guarantee will not apply to any group or individual contract or certificate issued after the Point of Termination. The Guarantee will remain in effect for any contract or certificate issued prior to the Point of Termination until all insurance obligations under such contracts or certificates are satisfied in full. As described in the prospectus, VALIC will continue to remain obligated under all of its contracts and certificates, regardless of issue date, in accordance with the terms of those contracts and certificates.

American Home is a stock property-casualty insurance company incorporated under the laws of the State of New York on February 7, 1899. American Home's principal executive office is located at 175 Water Street, New York, New York 10038. American Home is licensed in all 50 states of the United States and the District of Columbia, as well as certain foreign jurisdictions, and engages in a broad range of insurance and reinsurance activities. American Home is an indirect wholly owned subsidiary of AIG.

### **About VALIC Separate Account A**

When you direct money to the Contract's Variable Account Options, you will be sending that money through VALIC Separate Account A. You do not invest directly in the Mutual Funds made available in the Contracts. VALIC Separate Account A invests in the Mutual Funds on behalf of your account. VALIC acts as self custodian for the Mutual Fund shares owned through the Separate Account. VALIC Separate Account A is made up of what we call "Divisions." Ten Divisions are available and represent the Variable Account Options in the Contracts. Each of these Divisions invests in a different Mutual Fund made available through the Contracts. For example, Division Ten represents and invests in the (VALIC Company I) Stock Index Fund. The earnings (or losses) of each Division are credited to

(or charged against) the assets of that Division, and do not affect the performance of the other Divisions of VALIC Separate Account A.

VALIC established VALIC Separate Account A on July 25, 1979 under Texas insurance law. VALIC Separate Account A is registered with the SEC as a unit investment trust under the Investment Company Act of 1940, as amended, (the "1940 Act"). Units of interest in VALIC Separate Account A are registered as securities under the Securities Act of 1933, as amended (the "1933 Act").

VALIC Separate Account A is administered and accounted for as part of the Company's business operations. However, the income, capital gains or capital losses, whether or not realized, of each Division of VALIC Separate Account A are credited to or charged against the assets held in that Division without regard to the income, capital gains or capital losses of any other Division or arising out of any other business the Company may conduct. In accordance with the terms of the Contracts, VALIC Separate Account A may not be charged with the liabilities of any other Company operation. As stated in the Contracts, the Texas Insurance Code requires that the assets of VALIC Separate Account A attributable to the Contracts be held exclusively for the benefit of the Contract Owner, Participants, Annuitants, and Beneficiaries of the Contracts. The commitments under the Contracts are VALIC's, and AIG and SAFG have no legal obligation to back these commitments.

### **Units of Interest**

Your investment in a Division of VALIC Separate Account A is represented by units of interest issued by VALIC Separate Account A. On a daily basis, the units of interest issued by VALIC Separate Account A are revalued to reflect that day's performance of the underlying mutual fund minus any applicable fees and charges to VALIC Separate Account A.

### **Distribution of the Contracts**

The principal underwriter and distributor for VALIC Separate Account A is AIG Capital Services, Inc. ("ACS" or "Distributor"). ACS, an affiliate of the Company, is located at 21650 Oxnard Street, Suite 750, Woodland Hills, CA 91367-4997. *For more information about the Distributor, see "Distribution of Variable Annuity Contracts" in the SAI.*

The Contracts are no longer offered to new plans but may be available to participants in plans with an existing Contract. Previously, the Contracts were sold by licensed insurance agents who are registered representatives of broker-dealers, which are members of FINRA. VALIC no longer pays commissions to financial advisors for

sales or subsequent Purchase Payments made into the Contracts. In addition, the Company and the Distributor no longer enter into marketing and/or sales agreements with broker-dealers regarding the promotion and marketing of the Contracts.

### **Administration of the Contracts**

VALIC is responsible for the administrative servicing of your contract. Please contact the Annuity Service Center at 1-800-448-2542, if you have any comments, questions or service requests.

*Business Disruption and Cyber Security Risks.* We rely heavily on interconnected computer systems and digital data to conduct our variable product business activities. Because our variable product business is highly dependent upon the effective operation of our computer systems and those of our business partners, our business is vulnerable to physical disruptions and utility outages, and susceptible to operational and information security risks resulting from information systems failure (e.g., hardware and software malfunctions) and cyber-attacks. These risks include, among other things, the theft, misuse, corruption and destruction of data maintained online or digitally, interference with or denial of service attacks on websites and other operational disruption and

unauthorized release of confidential customer information. Such systems failures and cyber-attacks affecting us, any third-party administrator, the underlying Funds, intermediaries and other affiliated or third-party service providers, as well as our distribution partners, may adversely affect us and your contract value. For instance, systems failures and cyber-attacks may interfere with our processing of contract transactions, including the processing of orders from our website, our distribution partners, or with the underlying Funds, impact our ability to calculate Purchase Unit values, cause the release and possible destruction of confidential customer or business information, impede order processing, subject us and/or our service providers, distribution partners and other intermediaries to regulatory fines and financial losses and/or cause reputational damage. Cyber security risks may also impact the issuers of securities in which the underlying Funds invest, which may cause the funds underlying your contract to lose value. Despite our implementation of administrative and technical controls and other preventative actions to reduce the risk of cyber-incidents, there can be no assurance that we, our distribution partners, the underlying Funds, or our service providers will avoid losses affecting your contract and personal information due to cyber-attacks or information security breaches in the future.

## **Fixed Account Options**

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The Contracts offer two guaranteed fixed options that are each part of the general account assets of the Company. These Assets are invested in accordance with applicable state regulations to provide fixed-rate earnings and guarantee safety of principal. The guarantees are backed by the claims-paying ability of the Company, and not the Separate Account. The Fixed Account Options are not subject to regulation under the 1940 Act and are not required to be registered under the 1933 Act. As a result, the SEC has not reviewed data in this prospectus that relates to the Fixed Account Options. However, federal securities law does require such data to be accurate and complete.

**Fixed Account Plus** -This account provides fixed-return investment growth for the long-term. It is credited with interest at rates set by VALIC. The account is guaranteed to earn at least a minimum rate of interest. There are limitations on transfers out of this option. Purchase Payments allocated to a Fixed Account Option will receive an initial rate of interest. There are limitations on transfers out of this option. If you transfer assets from Fixed Account Plus to a Variable Account Option, any

assets transferred back into Fixed Account Plus within 90 days will receive the current rate of interest, which may be lower than the initial rate.

**Short-Term Fixed Account**- This account provides fixed-return investment growth for the short-term. It is credited with interest at rates set by VALIC which may be lower than the rates credited to Fixed Account Plus, above. The account is guaranteed to earn at least a minimum rate of interest.

Money allocated to a Fixed Account Option goes into VALIC's general account. The general account consists of all of VALIC's assets, other than assets attributable to a separate account. All of the assets in the general account are chargeable with the claims of any VALIC Contract holders as well as all of its creditors. The general account funds are invested as permitted under state insurance laws. Purchase Payments and interest earned on such amounts in your Fixed Account Option will be paid regardless of the investment results experienced by VALIC's general assets. Thus, we bear the entire investment risk for the Fixed Account Options.

## Variable Account Options

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The Contracts enable you to participate in Divisions that represent ten Variable Account Options, shown below. Your retirement program may limit the number of Variable Account Options in which you may invest. Certain additional limitations may also apply. See "About VALIC Separate Account A."

Each individual Division represents and invests, through VALIC's Separate Account A, in a specific portfolio of VALIC Company I. VALIC Company I serves as the investment vehicle for Independence Plus. VALIC Company I is registered as an open-end management investment company and is regulated under the 1940 Act. A brief description of the investment objective and strategy of each Variable Account Option is shown below.

SunAmerica Asset Management, LLC ("SunAmerica"), an affiliate of VALIC due to common ownership, serves as sub-adviser to certain Mutual Funds.

**For more detailed information about each investment option, including investment strategy and risks, you should refer to the VALIC Company I prospectus. Copies are available online at [www.valic.com](http://www.valic.com) or you may call 1-800-448-2542 to request a copy. Please read the prospectus carefully before investing.**

### *Description of Funds Available as Variable Account Options*

**Asset Allocation Fund** - Seeks maximum aggregate rate of return over the long term through controlled investment risk by adjusting its investment mix among stocks, long term debt securities and short-term money market securities. Adviser: VALIC. Sub-adviser: PineBridge Investments, LLC ("PineBridge").

**Capital Conservation Fund** - Seeks the highest possible total return consistent with preservation of capital through current income and capital gains on investments in intermediate and long-term debt instruments and other income producing securities. Adviser: VALIC. Sub-adviser: PineBridge.

**Global Social Awareness Fund** - Seeks to obtain growth of capital through investment, primarily in common stocks, in companies which meet the social criteria established for the Fund. The Fund will typically invest in stocks of large- and mid-cap companies domiciled in the U.S., Europe, Japan and other developed markets. Adviser: VALIC. Sub-adviser: SunAmerica.

**Government Money Market I Fund** - Seeks liquidity, protection of capital and current income through investments in short-term money market instruments. Adviser: VALIC. Sub-adviser: SunAmerica.

**Government Securities Fund** - Seeks high current income and protection of capital through investments in intermediate and long term U.S. Government and government-sponsored debt securities. Adviser: VALIC; Sub-Adviser: J. P. Morgan Investment Management, Inc.

**International Equities Index Fund** - Seeks to provide long-term growth of capital through investments in equity securities that, as a group, are expected to provide investment results closely corresponding to the performance of the MSCI EAFE Index. Adviser: VALIC. Sub-adviser: SunAmerica.

**International Government Bond Fund** - Seeks high current income through investments primarily in investment grade debt securities issued or guaranteed by foreign governments. Adviser: VALIC. Sub-adviser: PineBridge.

**Mid Cap Index Fund** - Seeks growth of capital through investments primarily in a diversified portfolio of common stocks that, as a group, are expected to provide investment results closely corresponding to the performance of the S&P MidCap 400<sup>®</sup> Index.\* Adviser: VALIC. Sub-adviser: SunAmerica.

**Small Cap Index Fund** - Seeks growth of capital through investment primarily in a diversified portfolio of common stocks that, as a group, the sub-adviser believes may provide investment results closely corresponding to the performance of the Russell 2000<sup>®</sup> Index.\*\* Adviser: VALIC. Sub-adviser: SunAmerica.

**Stock Index Fund** - Seeks long-term capital growth through investments in common stocks that, as a group, are expected to provide investment results closely corresponding to the performance of the S&P 500<sup>®</sup> Index.\* Adviser: VALIC. Sub-adviser: SunAmerica.

\* "Standard & Poor's<sup>®</sup>," "S&P," "S&P 500<sup>®</sup>" and "S&P MidCap 400<sup>®</sup>" are trademarks of Standard & Poor's ("S&P"). The Mid Cap Index Fund and the Stock Index Fund are not sponsored, endorsed, sold or promoted by S&P and S&P makes no representation regarding the advisability of investing in either Fund.

\*\* The Russell<sup>®</sup> 2000 Index is a trademark/servicemark of the Frank Russell Trust Company. Russell<sup>™</sup> is a trademark of the Frank Russell Company.

## Purchase Period

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The Purchase Period begins when your first Purchase Payment is made and continues until you begin your Payout Period. This period may also be called the accumulation period, as you save for retirement. Changes in the value of each Fixed and Variable Account Option are reflected in your overall Account Value. Thus, your investment choices and their performance will affect the total Account Value that will be available for the Payout Period. The amount, number, and frequency of Purchase Payments may be determined by the retirement plan for which the Contract was purchased. The Purchase Period will end upon death, upon surrender, or when you complete the process to begin the Payout Period.

### Account Establishment

You must establish an account through a financial advisor. Initial Purchase Payments must be received by VALIC either with, or after, a completed application. If part of an employer-sponsored retirement plan, then your employer is responsible for remitting Purchase Payments to us. The employer is responsible for furnishing instructions to us (a premium flow report) as to the amount being applied to your account (see below).

The maximum single payment that may be applied to any account without prior Home Office approval is \$750,000. Minimum initial and subsequent Purchase Payments are as follows:

<u>Contract Type</u>	<u>Initial Payment</u>	<u>Subsequent Payment</u>
Periodic Payment	\$30	\$30
Single Payment	\$1,000	-0-

Purchase Payment minimums apply to each Periodic Payment made. The Single Payment minimum applies to each of your accounts.

When an initial Purchase Payment is accompanied by an application, we will promptly:

- Accept the application and establish your account. We will also apply your Purchase Payment by crediting the amount, on the date we accept your application, to the Fixed or Variable Account Option selected;
- Reject the application and return the Purchase Payment; or
- Request additional information to correct or complete the application. In the case of an individual variable annuity Contract, we will return the Purchase Payments within 5 Business Days if the requested information is not provided, unless you otherwise so specify. Once you provide us with the requested information, we will establish your account and apply your Purchase Payment, on the date we accept your application, by crediting the amount to the Fixed or Variable Account Option selected.

If we receive Purchase Payments from your employer before we receive your completed application or enrollment form, we will not be able to establish a permanent account for you. If this occurs, we will take one of the following actions:

- Return Purchase Payments. If we do not have your name, address or Social Security Number ("SSN"), we will return the Purchase Payment to your employer unless this information is immediately provided to us;
- Employer-Directed Account. If we have your name, address and SSN and we have an Employer-Directed Account Agreement with your employer, generally we will deposit your Purchase Payment in an "Employer-Directed" account invested in the Government Money Market I Fund (Division 6), or other investment options chosen by your employer. If your employer chooses another investment option other than the Government Money Market I Fund (Division 6), the value of your investment may fluctuate and you could lose money. You may not transfer these amounts until VALIC has received a completed application or enrollment form; or
- Starter Account. If we have your name, address and SSN, but we do not have an Employer-Directed Account Agreement from your employer, we will deposit your Purchase Payment in a "starter" account invested in the Government Money Market I Fund (Division 6) option available for your plan or other investment options chosen by your employer. We will send you a follow-up letter requesting the information necessary to complete the application, including your allocation instructions. You may not transfer these

amounts until VALIC has received a completed application or enrollment form.

If mandated under applicable law, we may be required to reject a Purchase Payment. We may also be required to block a Contract Owner's account and thereby refuse to pay any request for transfers, withdrawals, surrenders, loans or death benefits, until instructions are received from the appropriate regulator.

### **When Your Account Will be Credited**

Depending on your retirement plan, Purchase Payments may be made by your employer for your account or by you for an IRA or certain nonqualified Contracts. It is the employer's or the individual's responsibility to ensure that the Purchase Payment can be promptly posted to the appropriate account(s).

A Purchase Payment must be "in good order" before it can be posted to your account. "In good order" means that all required information and/or documentation has been supplied and that the funds (check, wire, or ACH) clearly identify the individual SSN or group number to which they are to be applied. To ensure efficient posting for Employer-Directed accounts, Purchase Payment information must include complete instructions, including the group name and number, each employee's name and SSN, contribution amounts (balanced to the penny for the total purchase) and the source of the funds (for example, employee voluntary, employer mandatory, employer match, transfer, rollover or a contribution for a particular tax year). Purchase Payments for individual accounts must include the name, SSN, and the source of the funds (for example, transfer, rollover, or a contribution for a particular tax year).

If the Purchase Payment is in good order as described and is received by our bank by Market Close, the appropriate account(s) will be credited the Business Day of receipt. Purchase Payments in good order received after Market Close will be credited the next Business Day.

Please note that if the Purchase Payment is not in good order, the employer or individual will be notified promptly. No amounts will be posted to any accounts until all issues with the Purchase Payment have been resolved. If a Purchase Payment is not received in good order, the purchase amounts will be posted effective the date all required information is received.

### **Purchase Units**

A Purchase Unit is a unit of interest owned by you in your Variable Account Option. Purchase Unit values are calculated each Business Day following Market Close. Purchase Units may be shown as "Number of Shares" and the Purchase Unit values may be shown as "Share Price"

on some account statements. See "Purchase Unit Value" in the SAI for more information and an illustration of the calculation of the unit value.

### **Calculation of Value for the Fixed Account Options**

You may allocate all or a portion of your Purchase Payments to the Fixed Account Options listed in this prospectus as permitted by your retirement program. A complete discussion of the Fixed Account Options may be found in the "Fixed Account Options" section in this prospectus. The value of your Fixed Account Option is calculated on a given Business Day as shown below:

The value of your Fixed Account Option  
= **(equals)**  
All Purchase Payments made to the Fixed Account Option  
+ **(plus)**  
Amounts transferred from the Variable Account Option to the Fixed Account Option  
+ **(plus)**  
All interest earned  
- **(minus)**  
Amounts transferred or withdrawn from Fixed Account Option (including applicable fees and charges).

### **Calculation of Value for the Variable Account Options**

You may allocate all or a portion of your Purchase Payments to the Variable Account Options listed in this prospectus as permitted by your retirement program. As noted elsewhere in the prospectus, you will not be permitted to select from more than seven investment options. A complete discussion of the Variable Account Options may be found in the "Variable Account Options" section in this prospectus. Based upon a Variable Account Option's Purchase Unit value, your account will be credited with the applicable number of Purchase Units, including any dividends or capital gains declared on behalf of the underlying Funds as of that day. If the Purchase Payment is in good order as described and is received by our bank by Market Close, the appropriate account(s) will be credited the Business Day of receipt and will receive that Business Day's Purchase Unit value. Purchase Payments in good order received by our bank after Market Close will be credited the next Business Day and will receive the next Business Day's Purchase Unit value. The Purchase Unit value of each Variable Account Option will change each Business Day depending upon the investment performance of the Mutual Fund (which may be positive or negative) and the deduction of the separate account charges. See "Fees and Charges" section of this prospectus. Because Purchase Unit values for each Variable Account Option changes each Business Day, the number of Purchase Units your account will be

credited with for subsequent Purchase Payments will vary. Each Variable Account Option bears its own investment risk. Therefore, the value of your account may be worth more or less at retirement or withdrawal.

During periods of low short-term interest rates, and in part due to Contract fees and expenses, the yield of the Government Money Market I Fund (Division 6) may become extremely low and possibly negative. If the daily dividends paid by the underlying mutual fund are less than the daily portion of the separate account charges, the Purchase Unit value will decrease. In the case of negative yields, your investment in the Government Money Market I Fund will lose value.

### Stopping Purchase Payments

Purchase Payments may be stopped at any time. Purchase Payments may be resumed at any time during the

Purchase Period. The value of the Purchase Units will continue to vary, and your Account Value will continue to be subject to charges. The Account Value will be considered surrendered when you begin the Payout Period. You may not make Purchase Payments during the Payout Period.

If both your Account Value and Purchase Payments (less any withdrawals) fall below \$300, and you do not make any Purchase Payments for at least a two year period, we may close the account and pay the Account Value to the Participant. We will not assess a surrender charge in this instance. Any such account closures will be subject to applicable distribution restrictions under the Contract and/or under your employer's plan.

## Transfers Between Investment Options

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You may transfer all or part of your Account Value between the various Fixed and Variable Account Options in Independence Plus without a charge. Transfers may be made during the Purchase Period or during the Payout Period, subject to certain restrictions. **We reserve the right to limit the number, frequency (minimum period of time between transfers) or dollar amount of transfers you can make and to restrict the method and manner of providing or communicating transfers or reallocation instructions.** You will be notified of any changes to this policy through newsletters or information posted online at [www.valic.com](http://www.valic.com). Your employer's plan may also limit your rights to transfer.

### During the Purchase Period – Policy Against Market Timing and Frequent Transfers

VALIC has a policy to discourage excessive trading and market timing. Our investment options are not designed to accommodate short-term trading or "market timing" organizations, or individuals engaged in certain trading strategies, such as programmed transfers, frequent transfers, or transfers that are large in relation to the total assets of a mutual fund. These trading strategies may be disruptive to mutual funds by diluting the value of the fund shares, negatively affecting investment strategies and increasing portfolio turnover. Excessive trading may also raise fund expenses, such as recordkeeping and transaction costs, and can potentially harm fund performance. Further, excessive trading may harm fund investors, as the excessive trader takes security profits intended for the entire fund and could force securities to be sold to meet redemption needs. The premature selling and disrupted investment strategy could cause the fund's

performance to suffer, and exerts downward pressure on the fund's price per share.

Accordingly, VALIC implemented certain policies and procedures intended to hinder short-term trading. If Contract Owner Purchase Units in a Variable Account Option valued at \$5,000 or more, whether through an exchange, transfer, or any other redemption, the Contract Owner will not be able to make a purchase of \$5,000 or more in that same Variable Account Option for 30 calendar days.

This policy applies only to investor-initiated trades of \$5,000 or more, and does not apply to the following:

- Plan-level or employer-initiated transactions;
- Purchase transactions involving transfers of assets or rollovers;
- Retirement plan contributions, loans, and distributions (including hardship withdrawals);
- Roth IRA conversions or IRA recharacterizations;
- Systematic purchases or redemptions;
- Systematic account rebalancing; or
- Trades of less than \$5,000.

As described in a Fund's prospectus and SAI, in addition to the above, fund purchases, transfers and other redemptions may be subject to other investor trading policies, including redemption fees, if applicable. Certain Funds may set limits on transfers in and out of a Fund within a set time period in addition to or in lieu of the policy above. Also, an employer's benefit plan may limit an investor's rights to transfer.

We intend to enforce these investor trading policies uniformly. We make no assurances that all the risks associated with frequent trading will be completely eliminated by these policies and/or restrictions. If we are unable to detect or prevent market timing activity may result in additional transaction costs for the Variable Account Options and dilution of long-term performance

returns. Thus, a Contract Owner's account value may be lower due to the effect of the extra costs and resultant lower performance. We reserve the right to modify these policies at any time.

The Fixed Account Options are subject to additional restrictions:

<b><u>Fixed Account Option</u></b>	<b><u>% of Account Value</u></b>	<b><u>Frequency</u></b>	<b><u>Other Restrictions</u></b>
Fixed Account Plus:	Up to 20% per Participant Year	Any time	If you transfer assets from Fixed Account Plus to a Variable Account Option, any assets transferred back into Fixed Account Plus within 90 days may receive a different rate of interest than your new Purchase Payments. <sup>(1)</sup>
Fixed Account Plus:	Up to 100%	Any time	Available if your Account Value is less than or equal to \$500.
Short-Term Fixed Account:	Up to 100%	Any time	After a transfer into the Short-Term Fixed Account, you may not make a transfer from the Short-Term Fixed Account for 90 days. <sup>(2)</sup>

<sup>(1)</sup> Your employer may further limit or expand the restrictions. We may charge for those modified restrictions if specified in your employer's retirement plan.

<sup>(2)</sup> VALIC may change this holding period at any time in the future, but it will never be more than 180 days.

**Communicating Transfer or Reallocation Instructions**

Transfer instructions may be given by telephone, through the internet (VALIC Online), using the self-service automated phone system (VALIC by Phone), or in writing. We encourage you to make transfers or reallocations using VALIC Online or VALIC by Phone for most efficient processing. We will send a confirmation of transactions to the Participant within five days from the date of the transaction. It is your responsibility to verify the information shown and notify us of any errors within 30 calendar days of the transaction.

Generally, no one may give us telephone instructions on your behalf without your written or recorded verbal consent. Financial advisors or authorized broker-dealer employees who have received client permission to perform a client-directed transfer of value via the telephone or Internet will follow prescribed verification procedures.

When receiving instructions over the telephone or online, we follow appropriate procedures to provide reasonable

assurance that the transactions executed are genuine. Thus, we are not responsible for any claim, loss or expense from any error resulting from instructions received over the telephone or online. If we fail to follow our procedures, we may be liable for any losses due to unauthorized or fraudulent instructions. We reserve the right to modify, suspend, waive or terminate these transfer provisions at any time.

**Effective Date of Transfer**

The effective date of a transfer will be:

- The date of receipt, if received in our Home Office before Market Close; otherwise,
- The next date values are calculated.

**Transfers During the Payout Period**

During the Payout Period, transfers instructions must be given in writing and mailed to our Home Office. Transfers may be made from the Contract's investment options, subject to the following restrictions:

<u>Payout Option</u>	<u>% of Account Value</u>	<u>Frequency</u>
Variable Payout:	Up to 100%	Once every 365 days
Combination Fixed and Variable Payout:	Up to 100% of money in variable option payout	Once every 365 days
Fixed Payout:	Not permitted	N/A

## Fees and Charges

By investing in Independence Plus, you may be subject to the following basic types of fees and charges:

- Account Maintenance Charge
- Surrender Charge
- Premium Tax Charge
- Separate Account Charges
- Other Tax Charges

These fees and charges are applied to the Fixed and Variable Account Options in proportion to the Account Value as explained below. Unless we state otherwise, we may profit from these fees and charges. *For additional information about these fees and charges, see the "Fee Tables" section of this prospectus.*

### Account Maintenance Charge

During the Purchase Period an account maintenance charge of \$5.00 will be deducted on the last Business Day of each calendar quarter following receipt of the first purchase payment during the first Participant Year. After the first Participant Year, the quarterly account maintenance charge is \$3.75. We will sell Purchase Units from your account to pay the account maintenance charge. The charge will be assessed equally among the Variable Account Options and Fixed Account Options that make up your Account Value. We do not charge an account maintenance charge during the Payout Period.

The account maintenance charge is to reimburse the Company for our administrative expenses. This includes the expense for establishing and maintaining the record keeping for the Contracts.

### Surrender Charge

When you withdraw money from your account, you may be subject to a surrender charge that will be deducted from the amount withdrawn. *For information about your right to surrender, see "Surrender of Account Value" in this prospectus.*

It is assumed that the most recent Purchase Payments are withdrawn first. No surrender charge will be applied

unless an amount is actually withdrawn. We consider all Purchase Payments to be withdrawn before earnings are withdrawn.

*Amount of Surrender Charge.* A surrender charge will be the lesser of:

- Five percent (5%) of the amount of all Purchase Payments received during the past 60 months; or
- Five percent (5%) of the amount withdrawn.

*10% Free Withdrawal.* In any Participant Year, the first withdrawal of up to 10% of the Account Value will not be subject to a surrender charge. The surrender charge will apply to the lesser of any amount withdrawn that exceeds this 10% limit or the amount of the surrender attributable to Purchase Payments received during the most recent 60 months. The percentage withdrawn will be determined by dividing the amount withdrawn by the Account Value just prior to the withdrawal.

These 10% withdrawals without charge do not reduce Purchase Payments for the purpose of computing the surrender charge. If a surrender charge is applied to all or part of a Purchase Payment, no surrender charge will be applied to such Purchase Payment (or portion thereof) again. There may be a 10% premature distribution tax penalty for taking a withdrawal prior to age 59 ½. See "Federal Tax Matters" for more information.

*Exceptions to Surrender Charge.* No surrender charge will be applied:

- To money applied to provide a Payout Option;
- To death benefits;
- If no Purchase Payments have been received during the 60 months prior to the date of surrender;
- If your account has been in effect for 15 years or longer;
- If your account has been in effect for 5 years or longer, and you have attained age 59 ½; or
- If you have become totally and permanently disabled, defined as follows: you are unable, due to mental or physical impairment, to perform the



material and substantial duties of any occupation for which you are suited by means of education, training or experience; the impairment must have been in existence for more than 180 days; the impairment must be expected to result in death or be long-standing and indefinite and proof of disability must be evidenced by a certified copy of a Social Security Administration determination.

### **Premium Tax Charge**

Premium taxes are imposed by some states, cities, and towns. The rate will range from 0% to 3.5%, depending on whether the Contract is qualified or nonqualified. Such tax will be deducted from the Account Value when annuity payments are to begin. We will not profit from this charge.

### **Separate Account Charges**

There will be a mortality and expense risk fee applied to VALIC Separate Account A. This is a daily charge at an annualized rate of 1.00% on the average daily net asset value of VALIC Separate Account A. This charge is guaranteed and cannot be increased by the Company. The mortality and expense risk fee is to compensate the Company for assuming mortality and expense risks under Independence Plus. The mortality risk that the Company assumes is the obligation to provide payments during the Payout Period for your life no matter how long that might be. In addition, the Company assumes the obligation to

## **Payout Period**

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The Payout Period begins when you decide to retire or otherwise withdraw your money in a steady stream of payments. If your employer's plan permits, you may apply all or a portion of your Account Value to one of the types of payout options listed below. You may choose to have your payout option on either a fixed, a variable, or a combination payout basis. When you choose to have your payout option on a variable basis, you may keep the same Variable Account Options in which your Purchase Payments were made, or transfer to different ones. If you do not elect a payout option, the payout option will mirror the allocation of investment options in your Contract upon annuitization. For example, if your Account Value is allocated solely to the Variable Account Option upon annuitization and you have not made an election, a variable payout option will be applied, or if your Account Value is allocated to a Fixed Account Option, a fixed payout option will be applied. Similarly, if your Account Value is allocated to both Fixed and Variable Account Options, a combination fixed and variable payout option will be applied.

pay during the Purchase Period a death benefit, which may be higher than your Account Value. *For more information about the death benefit see the "Death Benefit" section in this prospectus.* The expense risk is our obligation to cover the cost of issuing and administering Independence Plus, no matter how large the cost may be. Separate Account Charges are not applied to Variable Investment Options during the Payout Period. *For more information about the mortality and expense risk fee, see the "Fee Tables" in this prospectus.*

### **Other Charges**

We reserve the right to charge for certain taxes (in addition to premium taxes) that we may have to pay. This could include federal income taxes. Currently, no such charges are being made.

Fees for plan services provided by parties other than VALIC or its affiliates maybe assessed to participant accounts upon the direction or authorization of a plan representative. Such withdrawals will be identified on applicable participant account reports.

Plan loans from the Fixed Account options may be allowed by your employer's plan. Refer to your plan for a description of charges and other information concerning plan loans. We reserve the right to charge a fee of up to \$60 per loan (if permitted under state law) and to limit the number of outstanding loans.

### **Fixed Payout**

Under Fixed Payout, you will receive payments from the Company. These payments are fixed and guaranteed by the Company. The amount of these payments will depend on:

- Type and duration of payout option chosen;
- Your age or your age and the age of your survivor<sup>(1)</sup>;
- Your gender or your gender and the gender of your survivor<sup>(1)</sup> (IRAs and certain nonqualified contracts);
- The portion of your Account Value being applied; and
- The payout rate being applied and the frequency of the payments.

<sup>(1)</sup> This applies only to joint and survivor payouts.

If the benefit would be greater, the amount of your payments will be based on the current payout rate the Company uses for immediate annuity contracts.

### **Assumed Investment Rate**

An "Assumed Investment Rate" or "AIR" is the rate used to determine your first monthly Payout Payment per thousand dollars of account value in your Variable Account Option. When you decide to enter the Payout Period, you will select your Payout Option, your Annuity Date, and the AIR. You may choose an AIR ranging from 3.5% to 5% (as prescribed by state law). If you choose a higher AIR, the initial Annuity Payment will be higher, but later payments will increase more slowly during periods of good investment performance, and decrease faster during periods of poor investment performance. The dollar amount of the variable income payments stays level if the net investment return equals the AIR. Your choice of AIR may affect the duration and frequency of payments, depending on the Payout Option selected. For example, a higher AIR will generate a higher initial Payout Payment, but as Payout Payments continue they may become smaller, and eventually could be less than if you had initially selected a lower AIR. The frequency of the Payout Payments may lessen to ensure that each Payout Payment is at least \$25 per month.

### **Variable Payout**

With a variable payout, you may select from your existing Variable Account Options. Your payments will vary accordingly. This is due to the varying investment results that will be experienced by each of the Variable Account Options you selected. The Payout Unit value is calculated just like the Purchase Unit value for each Variable Account Option except that the Payout Unit value includes a factor for the AIR you select. *For additional information on how Payout Payments and Payout Unit values are calculated, see the SAI.*

In determining the first Payout Payment, an AIR of 3.5% is used (unless you select a higher rate as allowed by state law). If the net investment experience of the Variable Account Option exceeds the AIR, subsequent payments will be greater than your first payment. If the investment experience of the Variable Account Option is lower than the AIR, subsequent payments will be less than your first payment.

### **Combination Fixed and Variable Payout**

With a combination fixed and variable payout, you may choose:

- From your existing Variable Account Options (payment will vary); with a
- Fixed payout (payment is fixed and guaranteed).

### **Partial Annuitization**

A Participant may choose to annuitize a portion of the Account Value. This will, in essence, divide the Account Value into two parts. The current non-annuitized part would continue as before, while the annuitized part would effectively be moved to a new Payout Payment account. Thus, the death benefit in such a situation would be reduced to the value of the amount remaining in the account minus the amount applied to Payout Payments. Depending on the payout option selected, there may also be a death benefit from the annuitized portion of the account, such as a payout for a guaranteed period.

### **Payout Date**

The payout date is the date elected by you on which the annuity Payout Payments will start. The date elected must be the first of any month. A request to start payments must be received in our Home Office on a form approved by VALIC. This request must be received by VALIC by at least the 15th day of the month prior to the month you wish your annuity payments to start. Your account will be valued ten days prior to the beginning of the month in which the Payout Payments will start.

The following additional rules also apply when determining the payout date:

- The earliest payout date for a nonqualified Contract, an IRA, or a Roth IRA, is established by the terms of the Contract, and generally can be any time from age 50 to age 75, and may not be later than age 75 without VALIC's consent.
- The earliest payout date for all other qualified Contracts is generally subject to the terms of the employer-sponsored plan (including 403(b) plans and programs) under which the Contract is issued and the federal tax rules governing such Contracts and plans.
- Distributions from qualified Contracts issued under employer-sponsored retirement plans generally are not permitted until after you stop working for the employer sponsoring the plan, unless you have experienced a qualifying financial hardship (or in the case of a 457(b) plan, an unforeseeable emergency) or unless you have become disabled.
- In certain cases, and frequently in the case of your voluntary deferrals to a 403(b) or a 401(k) plan, you may begin taking distributions when you attain age 59 ½ even if you are still working for the employer sponsoring the plan.
- Except in the case of nonqualified Contracts, IRAs, and Roth IRAs, distributions generally must begin no later than April 1 following the calendar

year you reach age 70 ½ or the calendar year in which you retire, if later. Similar rules apply to IRAs, however distributions from those Contracts may not be postponed until after retirement.

- All contracts require distributions to commence within a prescribed period after the death of the Contract Owner/Participant, subject to the specific rules which apply to the type of plan or arrangement under which the contract is issued.
- The Contracts may also impose minimum amounts for annuity payments, either on an annual or on a more frequent periodic basis.

*For additional information on plan-level distribution restrictions and on the minimum distribution rules that apply to payments under 403(b), 401, 403(a) and 457 plans, simplified employee plans ("SEPs") or IRAs, see "Federal Tax Matters" in this prospectus and in the SAI.*

### **Payout Options**

You may specify the manner in which your Payout Payments are made. You may select one of the following options for a Fixed Annuity, a Variable Annuity, or a combination Fixed and Variable Annuity. This choice is a one-time permanent choice. Your Payout Payment annuity option may not be changed later and it may not be exchanged for a cash payment.

- *Life Only* — payments are made only to you during your lifetime. Under this option there is no provision for a death benefit for the Beneficiary. For example, it would be possible under this option for the Annuitant to receive only one Payout Payment if the Annuitant died prior to the date of the second payment, or two if the Annuitant died before the third payment.
- *Life with Guaranteed Period* — payments are made to you during your lifetime, but if you die before the guaranteed period has expired, payments will continue to the Beneficiary for the rest of the guaranteed period.
- *Life with Cash or Unit Refund* — payments are made to you during your lifetime. These payments are based upon your life expectancy and will continue for as long as you live. If you do not outlive the life expectancy calculated for you, upon your death, your Beneficiary may receive an additional payment. The payment under a Fixed Annuity, if any, is equal to the Fixed Annuity value of the Participant's Account at the time it was valued for the Payout Date, less the Payout Payments. The payment under a Variable Annuity, if any, is equal to the Variable Annuity value of the Participant's Account as of the date we receive Proof of Death, less the Payout Payments.

- *Joint and Survivor Life* — payments are made to you during the joint lifetime of you and a second person. Upon the death of one, payments continue during the lifetime of the survivor. This option is designed primarily for couples who require maximum possible variable payouts during their joint lives and are not concerned with providing for Beneficiaries at death of the last survivor. For example, it would be possible under this option for the joint Annuitants to receive only one payment if both Annuitants died prior to the date of the second payment, or for the joint Annuitants to receive only one payment and the surviving Annuitant to receive only one payment if one Annuitant died prior to the date of the second payment and the surviving Annuitant dies prior to the date of the third payment. For example, if the Annuitant dies before receiving a Payout Payment, the first Payout Payment will be made to the second designated person. If both Annuitant and the second designated person die before the first Payout Payment is made, no Payout Payments will be made.
- *Payment for a Designated Period* — payments are made to you for a select number of years between three and 30. Upon your death, payments will continue to your Beneficiary until the designated period is completed. Payment for a designated period is available as a fixed payout option only.

### **Payout Information**

Once your Payout Payments have begun, the option you have chosen may not be stopped or changed. Any one of the Variable Account Options may result in your receiving unequal payments during the Payout Period. If payments begin before age 59 ½, you may suffer unfavorable tax consequences, in the form of a penalty tax, if you do not meet an exception under federal tax law. See "Federal Tax Matters" section in this prospectus.

If a payout option selection is not made at least 30 days before the Payout Date, then:

- Payments will be made under the life with guaranteed period option;
- The payments will be guaranteed for a 10 year period;
- The payments will be based on the allocation used for the Participant's Purchase Payments;
- The Fixed Account Options will be used to distribute payments to the Participant on a fixed payout basis; and
- The Variable Account Options will be used to distribute payments to the Participant on a variable payout basis.

Under certain retirement plans, federal pension law may require that payments be made under the joint and survivor life payout option.

Most Payout Payments are made monthly. The first Payout Payment must total at least \$25, and the annual

payment must be at least \$100. If the amount of a payment is less than \$25, we reserve the right to reduce the frequency of payments so that each payment is at least \$25, subject to any limitations under the Contract or plan.

## Surrender of Account Value

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### When Surrenders are Allowed

You may withdraw all or part of your Account Value during the Purchase Period if:

- allowed under federal and state law; and
- allowed under your employer's plan.

For Purchase Payments that are contributions made under your employer's plan, such as a 401(a) or (k) qualified cash or deferred arrangement or a 403(b) plan, surrenders are subject to the terms of the plan, in accordance with the Code. Qualified plans often require certain conditions to be met before a distribution or withdrawal may take place. See "Surrender Restrictions" section of the prospectus.

For an explanation of charges that may apply if you surrender your Account Value, see "Fees and Charges" in this prospectus. Additionally, you may incur a 10% federal tax penalty for partial or total surrenders made before age 59 ½.

We may be required under applicable law to block a request for a surrender until we receive instructions from the appropriate regulator, due to the USA Patriot Act. In accordance with state law, payments may be deferred up to six months after we receive a request for a full and immediate surrender of the Contract or certificate, including amounts accumulated in the Fixed Account Options, if approved in writing by the insurance commissioner of the state where the individual Contract is issued or where the group contract is issued for the certificate. If payment is deferred, interest will accrue until the payment is made.

VALIC may be required to suspend or postpone the payment of a withdrawal for more than 7 days when: (1) the NYSE is closed (other than a customary weekend and holiday closings); (2) trading with the NYSE is restricted; (3) an emergency exists such that disposal of or determination of the value of shares of the Variable Account Options is not reasonably practicable; or (4) the SEC, by order, so permits for the protection of Contract Owners.

### Surrender Process

If you are allowed to surrender all or a portion of your Account Value during the Purchase Period as noted above, then you must complete a surrender request form and mail it to our Home Office. We will mail the surrender value to you within seven calendar days after we receive your request if it is in good order. Good order means that all paperwork is complete and signed or approved by all required persons, and any necessary supporting legal documents or plan forms have been received in correct form.

We may be required to suspend or postpone payments if redemption of an underlying Fund's shares have been suspended or postponed. See the VALIC Company I prospectus for a discussion of the reasons why the redemption of shares may be suspended or postponed.

We may receive a surrender request for a Purchase Payment that has not cleared the banking system. We may delay payment of that portion of your surrender value until the check clears. We may defer payment of the surrender value in the Fixed Account Options for up to 6 months. Interest will be paid on such amounts if payment of Fixed Account Option surrender value is deferred for 30 calendar days or more.

### Amount that May be Surrendered

The amount that may be surrendered during the Purchase Period can be determined as follows:

$$\begin{aligned} & \text{Allowed Surrender Value} \\ = & \text{(equals)} \\ & \text{The Account Value next computed after your} \\ & \text{properly completed request for surrender is} \\ & \text{received in our Home Office} \\ - & \text{(minus)} \\ & \text{Any applicable surrender charge} \end{aligned}$$

There is no guarantee that the surrender value in a Variable Account Option will ever equal or exceed the total amount of your Purchase Payments received by us.

## Surrender Restrictions

Generally, Code section 403(b)(11) permits total or partial distributions from your voluntary contributions to a 403(b) contract only on account of hardship (employee contributions only without accrued interest), attainment of age 59 ½, separation from service, death or disability. Similar restrictions apply to any amount transferred to a 403(b) contract from a 403(b)(7) custodial account. In addition, beginning for contracts issued on or after January 1, 2009, employer contributions and non-elective contributions to 403(b) annuity contracts are subject to restrictions specified in Treasury regulations as specifically imposed under the employer's plan.

Under the *Texas State Optional Retirement Program*, no surrender or partial surrender will be allowed except upon attainment of age 70 ½, retirement or other termination of employment or death.

Under the *Florida State Optional Retirement Program*, no surrender or partial surrender of Purchase Payments made by the employer will be allowed except upon termination of employment, retirement or death. Benefit payments based on payments from the employer may not be paid in a lump sum or for a period certain, but must be paid under a life contingency option, except for:

- death benefits; and
- certain small amounts approved by the State of Florida.

Under the *Louisiana State Optional Retirement Plan* retirement benefits must be paid in the form of a lifetime

## Exchange Privileges

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From time to time, we may allow you to exchange an older variable annuity issued by VALIC for a newer product with more current features and benefits issued by VALIC. Such an exchange offer will be made in

income, and except for death benefits, single sum surrenders and partial surrenders out of the plan are not permitted unless they are rollovers to another qualified plan or IRA.

Other employer-sponsored plans may also impose restrictions on the timing and form of surrenders from the Contract.

## Partial Surrenders

You may request a partial surrender of your Account Value at any time during the Purchase Period, subject to any applicable surrender restrictions. A partial surrender plus any surrender charge will reduce your Account Value. Partial surrenders will be paid from the Fixed Account Options and Variable Account Options.

The reduction in the number of Purchase Units credited to your Variable Account Option Account Value will equal:

$$\begin{array}{r} \text{The amount surrendered} \\ + \text{ (plus)} \\ \text{Any surrender charge} \\ \div \text{ (divided by)} \\ \text{Your Purchase Units next computed after the} \\ \text{written request for surrender is received at our} \\ \text{Home Office.} \end{array}$$

The surrender value will be reduced by the full quarterly account maintenance charge in the case of a full surrender during a quarter.

accordance with applicable state and federal securities and insurance rules and regulations. We will explain the specific terms and conditions of any such exchange offer at the time the offer is made.

## Death Benefits

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The Contracts will pay death benefits during either the Purchase Period or the Payout Period. The death benefit provisions may vary from state to state.

### The Process

VALIC requires that complete and acceptable documentation and paperwork be received from the beneficiary in order to begin the death benefit payment process. First, Proof of Death is required. Proof of Death is defined as a certified copy of the death certificate, a

certified copy of a decree of a court of competent jurisdiction as to death, a written statement by an attending physician, or any other proof satisfactory to VALIC. Additionally, the Beneficiary must include an election specifying the distribution method and any other form required by VALIC or a regulator to process the claim. The account will not be valued and any payments will not be made until all paperwork is complete and in a form acceptable to VALIC. Your Beneficiary may contact us at 1-800-448-2542 with any

questions about required documentation and paperwork. Death benefits are paid only once per Contract. If your Account Value is reduced to zero, you may no longer make subsequent Purchase Payments or transfers, and no death benefit will be paid.

### **Beneficiary Information**

The Beneficiary may receive death benefits:

- In a lump sum;
- In the form of an annuity under any of the payout options stated in the Payout Period section of this prospectus subject to the restrictions of that payout option; or
- In a manner consistent with Code section 401(a)(9) or 72(s).

Payment of any death benefits must be within the time limits set by federal tax law and by the plan, if any.

*Spousal Beneficiaries.* A spousal Beneficiary may receive death benefits as shown above or, in the case of a qualified Contract, may delay any distributions until the Annuitant would have reached age 70 ½ or roll the funds over to an IRA or certain retirement plans in which the spousal Beneficiary participates. In the case of a nonqualified Contract, spousal Beneficiary may receive death benefits as shown above or may continue the Contract as Contract Owner.

*Beneficiaries Other Than Spouses.* If the Beneficiary is not the spouse of the Annuitant, death benefits must be paid:

- In full within 5 years after the year of the Annuitant's death; or
- By payments beginning within 1 year after the year of the Annuitant's death under:
  1. A life annuity;
  2. A life annuity with payments guaranteed to be made for at least a specified fixed period; or
  3. An annuity or other stream of payments for a designated period not exceeding the Beneficiary's life expectancy.

If the Annuitant dies before the beginning of the Payout Period, the named Beneficiary may receive the payout.

Payments for a designated or fixed period and guarantee periods for a life annuity cannot be for a greater period of time than the Beneficiary's life expectancy. After choosing a payment option, a Beneficiary may exercise many of the investment options and other rights that the Participant or Contract Owner had under the Contracts.

### **Special Information for Individual Nonqualified Contracts**

It is possible that the Contract Owner and the Annuitant under a nonqualified Contract may not be the same person. If this is the case, and the Contract Owner dies, there will be no death benefit payable since the death benefit is only due in the event of the Annuitant's death. However, the Contract will be transferred to the contingent owner, if any, or to the Beneficiary if there is no contingent owner or to the Contract Owner's estate, if there is no Beneficiary. Such transfers may be considered a taxable event by the Internal Revenue Service (the "IRS"). In general, payments received by your Beneficiaries after your death are taxed in the same manner as if you had received the payments. See "*Federal Tax Matters*" section in this prospectus.

### **During the Purchase Period**

If death occurs during the Purchase Period, the death benefit will be the greater of:

- The Account Value on the date all paperwork is complete and in a form acceptable to VALIC; or
- 100% of Purchase Payments (to the Fixed and/or the Variable Account Options) - **(minus)** The amount of all prior withdrawals and any portion of Account Value applied under a payout option

As indicated above, a Participant may elect to annuitize only a certain portion and leave the remaining value in the account. The death benefit in such situations would include the value of the amount remaining in the account minus the amount applied to Payout Payments. Depending on the payout option selected, there may also be a death benefit from the annuitized portion of the account.

### **During the Payout Period**

If death occurs during the Payout Period, the Beneficiary may receive a death benefit depending on the payout option selected. The amount of death benefit will also depend on the payout option selected. The payout options available are described in the "Payout Period" section of this prospectus.

- If the life only option or joint and survivor life option was chosen, there will be no death benefit.
- If the life with guaranteed period option, joint and survivor life with guaranteed periods option, life with cash or unit refund option or payment for a designated period option was chosen, and the entire amount guaranteed has not been paid, the

Beneficiary may choose one of the following within 60 days after death benefits are payable:

1. Receive the present value of any remaining payments in a lump sum;
2. Receive the remaining payments under the same terms of the guaranteed period option chosen by the deceased Annuitant and be entitled to elect anytime thereafter to

receive the present value of any remaining payments in a lump sum; or

3. Receive the present value of any remaining payments applied under the payment for a designated period option for a period equal to or shorter than the period remaining. Spousal Beneficiaries may be entitled to more favorable treatment under federal tax law.

## Other Contract Features

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### Changes that may not be Made

The following terms in the Contracts may not be changed once your account has been established:

- The Contract Owner (except for an individual nonqualified Contract);
- The Participant; and
- The Annuitant.

### Change of Beneficiary

The Beneficiary (if not irrevocable) may usually be changed at any time. Under some retirement programs, the right to name a Beneficiary other than the spouse or change a Beneficiary is subject to approval by the spouse. Also, the right to name a Beneficiary other than the spouse may be subject to certain laws and regulations applicable to the plan.

If the Annuitant dies, and there is no Beneficiary, any death benefit will be payable to the Annuitant's estate, except in the case of a nonqualified Contract where the Contract Owner and Annuitant are different, in which case the death benefit is paid to the Contract Owner, or the Contract Owner's estate.

If a Beneficiary dies while receiving payments, and there is no co-Beneficiary to continue to receive payments, any amount still due will be paid to the Beneficiary's estate.

The Contract Owner may name a contingent owner under an individual nonqualified Contract. During the Purchase Period, the contingent owner may be changed.

### Cancellation – The "Free Look" Period

The Contract Owner of a group Contract (employer) or individual Contract Owner may cancel a Contract by returning it to the Company within 10 days after it is received. (A longer period will be allowed if required under state law.) The free look does not apply to Participant certificates except in a limited number of states. We will allocate Purchase Payments as instructed

during the "free look" period. To cancel the Contract, the Contract Owner must send a written request for cancellation and return the Contract to us at our Home Office before the end of the "Free Look" period. A refund will be made to the Contract Owner within seven days after receipt of the Contract within the required period. The amount of the refund will be equal to all Purchase Payments received or, if more, the amount required under state law. The Contract will be void once we issue a refund.

### We Reserve Certain Rights

We may amend the Contracts to comply with changes in federal tax, securities, or other laws. We may also make changes to the Variable Account Options offered under the Contracts. For example, we may add new Variable Account Options to expand the offerings for an asset class. We may stop accepting allocations and/or investments in a particular Variable Account Option if the shares of the underlying Fund are no longer available for investment or if, for example, further investment would be inappropriate. We may move assets and re-direct future premium allocations from one Variable Account Option to another in accordance with federal and state law and, in some cases, with SEC approval. The new Variable Account Option offered may have different Fund fees and expenses.

We will not make any changes to the Contracts without Contract Owner and Participant permission except as may be allowed by federal or state law. We may add endorsements to the Contracts that would apply only to new Contract Owners and Participants after the effective date of the changes. These changes would be subject to approval by the Company and may be subject to approval by the SEC.

We reserve the right to operate VALIC Separate Account A as a management investment company under the applicable securities laws, and to deregister VALIC Separate Account A under applicable securities laws, if registration is no longer required.

## Relationship to Employer's Plan

If the Contract is being offered under a retirement plan through your employer, you should always refer to the terms and conditions in your employer's plan when reviewing the description of the Contracts in this prospectus.

## Voting Rights

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As discussed in the "About VALIC Separate Account A" section of this prospectus, VALIC Separate Account A holds, on your behalf, shares of the Mutual Funds that comprise the Variable Account Options. From time to time, the Funds may be required to hold a shareholder meeting to obtain approval from their shareholders for certain matters.

### Who May Give Voting Instructions

During the Purchase Period, subject to any contrary provision in the plan, the Contract Owner, Participant, or Beneficiary will have the right to give voting instructions to VALIC Separate Account A for the shareholder meetings, except as noted below. Proxy material and a form on which voting instructions may be given before the shareholder meeting is held will be mailed in advance of any shareholder meeting. Please vote each card received.

Participants in a nonqualified unfunded deferred compensation plan will not have the right to give voting instructions.

Plan loans from the Fixed Account Options may be allowed by your employer's plan. Refer to your plan for a description of charges and other information concerning plan loans. We reserve the right to charge a fee of up to \$60 per loan, if permitted by state law, and to limit the number of outstanding loans.

### Determination of Fund Shares Attributable to Your Account

*During the Purchase Period.* The number of Fund shares attributable to your account will be determined on the basis of the Purchase Units credited to your account on the record date set for the Fund shareholder meeting.

*During the Payout Period or After a Death Benefit has been Paid.* The number of Fund shares attributable to your account will be based on the liability for future variable annuity payments to your payees on the record date set for the Fund shareholder meeting.

### How Fund Shares are Voted

VALIC Separate Account A will vote all of the shares of the Funds it holds based on, and in the same proportion as, the instructions given by all Participants invested in that Fund entitled to give instructions at that shareholder meeting. VALIC Separate Account A will vote the shares of the Funds it holds for which it receives no voting instruction in the same proportion as the shares for which voting instructions have been received. One effect of proportional voting is that a small number of Contract Owners may determine the outcome of a vote.

In the future, we may decide how to vote the shares of VALIC Separate Account A in a different manner if permitted at that time under federal securities law.

## Federal Tax Matters

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The Contracts provide tax-deferred accumulation over time, but may be subject to certain federal income and excise taxes, mentioned below. Refer to the SAI for further details. Section references are to the Code. We do not attempt to describe any potential estate or gift tax, or any applicable state, local or foreign tax law other than possible premium taxes mentioned under "Premium Tax Charge." Discussions regarding the tax treatment of any annuity contract or retirement plans and programs are intended for general purposes only and are not intended as tax advice, either general or individualized, nor should they be interpreted to provide any predictions or guarantees of a particular tax treatment. Such discussions

generally are based upon the Company's understanding of current tax rules and interpretations, and may include areas of those rules that are more or less clear or certain. Tax laws are subject to legislative modification, and while many such modifications will have only a prospective application, it is important to recognize that a change could have retroactive effect as well. You should seek competent tax or legal advice, as you deem necessary or appropriate, regarding your own circumstances.



## Types of Plans

Tax rules vary, depending on whether the Contract is offered under your employer's tax-qualified retirement program, an individual retirement plan, or is instead a nonqualified Contract. The Contracts are used under the following types of retirement arrangements:

- Section 403(b) annuities for employees of public schools and section 501(c)(3) tax-exempt organizations;
- Section 401(a), 403(a) and 401(k) qualified plans (including plans for self-employed individuals);
- Section 408(b) traditional IRAs;
- Section 408A Roth IRAs;
- Section 457 deferred compensation plans of governmental and tax-exempt employers;
- Section 408(k) SEPs and SARSEPs; and
- Section 408(p) SIMPLE retirement accounts.

Contributions under any of these retirement arrangements generally must be made to a qualifying annuity Contract or to a qualifying trust or custodial account, in order for the contributions to receive favorable tax treatment as pre-tax contributions. Contracts purchased under these retirement arrangements are "Qualified Contracts."

Note that the specific terms of the governing employer plan may limit rights and options otherwise available under a Contract. In addition, changes in the applicable laws or regulations may impose additional limitations or may require changes to the contract to maintain its status as a Qualified Contract.

## Tax Consequences in General

Purchase Payments, distributions, withdrawals, transfers and surrender of a Contract can each have a tax effect, which varies with the governing retirement arrangement. Please refer to the detailed explanation in the SAI, the documents (if any) controlling the retirement arrangement through which the Contract is offered, and your personal tax advisor.

Purchase Payments under the Contracts can be made as contributions by employers or as pre-tax or after-tax contributions by employees, depending on the type of retirement program. Purchase Payments also can be made outside of an employer-sponsored retirement program. After-tax Purchase Payments, including after-tax employee contributions, generally constitute "investment in the Contract." All Qualified Contracts receive deferral of tax on the inside build-up of earnings on invested Purchase Payments, until a distribution occurs. *See the SAI for a discussion of the taxation of distributions, including upon death, and special rules, including those*

*applicable to non-natural owners of nonqualified Contracts.*

Transfers among investment options within a variable annuity Contract generally are not taxed at the time of such a transfer. However, in 1986, the IRS indicated that limitations might be imposed with respect to either the number of investment options available within a Contract, or the frequency of transfers between investment options, or both, in order for the Contract to be treated as an annuity Contract for federal income tax purposes. If imposed, VALIC can provide no assurance that such limitations would not be imposed on a retroactive basis to Contracts issued under this prospectus. However, VALIC has no present indications that the IRS intends to impose such limitations, or what the terms or scope of those limitations might be. In addition, based upon published guidance issued by the IRS in 1999, it appears likely that such limitations, if imposed, would only apply to nonqualified Contracts.

Distributions are taxed differently depending on the program through which the Contracts are offered and the previous tax characterization of the contributions to which the distribution relates. Generally, the portion of a distribution that is not considered a return of investment in the Contract is subject to income tax. For annuity payments, investment in the Contract is recovered ratably over the expected payout period. Special recovery rules might apply in certain situations. Non-periodic payments such as partial withdrawals and full surrenders during the Purchase Period are referred to as "amounts not received as an annuity" in the Code. These types of payments are generally taxed to the extent of any gain existing in the Contract at the time of withdrawal.

Amounts subject to income tax may also incur excise or penalty taxes, under certain circumstances. Generally, as more fully discussed in the SAI, taxable distributions received before you attain age 59 ½ are subject to a 10% penalty tax in addition to regular income tax, unless you make a rollover, in the case of a Qualified Contract, to another tax-deferred investment vehicle or meet certain exceptions. Note that a distribution from a 457(b) plan is not subject to the 10% tax penalty. And, if you have to report the distribution as ordinary income, you may need to make an estimated tax payment by the due date for the quarter in which you received the distribution, depending on the amount of federal tax withheld from the distribution. When calculating your tax liability to determine whether you need to make an estimated tax payment, your total tax for the year should also include the amount of the 10% additional tax on early distributions unless an exception applies. Amounts eligible for grandfathered status afforded to pre-1982 accounts might be exempt from the 10% early withdrawal penalty. Please consult with your tax advisor concerning these exceptions, tax reporting, and the tax-related effects

of an early distribution. Required tax withholding will vary according to the type of program, type of payment and your tax status. In addition, amounts received under all Contracts may be subject to state income tax withholding requirements.

The Pension Protection Act of 2006 created other distribution events and exemptions from the 10% early withdrawal penalty tax. These include payments to certain reservists called up for active duty after September 11, 2001 and payments up to \$3,000 per year made directly to an insurer for health, life and accident insurance by certain retired public safety officers. The Disaster Tax Relief and Airport and Airway Extension Act of 2017 and the Tax Cuts and Jobs Act of 2017 provided relief from the 10% early withdrawal penalty tax for qualified disaster distributions from retirement funds.

On March 30, 2010, the Health Care and Education Reconciliation Act ("Reconciliation Act") was signed into law. Among other provisions, the Reconciliation Act imposes a new tax on net investment income, which went into effect in 2013, is at the rate of 3.8% of investment income in excess of applicable thresholds for Modified Adjusted Gross Income (\$250,000 for joint filers; \$125,000 for married individuals filing separately; and, \$200,000 for individual filers). An individual with MAGI in excess of the threshold will be required to pay this new tax on net investment income in excess of the applicable MAGI threshold. For this purpose, net investment income generally will include taxable withdrawals from a Non-Qualified contract, as well as other taxable amounts including amounts taxed annually to an owner that is not a natural person (see final paragraph in this section). This new tax generally does not apply to Qualified Contracts; however, taxable distributions from such contracts may be taken into account in determining the applicability of the MAGI thresholds.

It is the understanding of VALIC confirmed by IRS Revenue Procedure 99-44, that a Qualified Contract described in section 401(a), 403(a), 403(b), 408(b) or 408A of the Code does not lose its deferred tax treatment if Purchase Payments under the Contract are invested in publicly available Mutual Funds.

It is also the understanding of VALIC that for each other type of Qualified Contract an independent exemption provides tax deferral regardless of how ownership of the Mutual Fund shares might be imputed for federal income tax purposes.

Investment earnings on contributions to nonqualified Contracts that are owned by non-natural persons (except for trusts or other entities as agent for a natural person) will be taxed currently to the Contract Owner and such

Contracts will not be treated as annuities for federal income tax purposes.

*Important Information Regarding 403(b) Regulations.* On July 26, 2007, the Department of the Treasury published final 403(b) regulations that became largely effective on January 1, 2009. These comprehensive regulations include several rules and requirements, such as a requirement that employers maintain their 403(b) plans pursuant to a written plan. The final regulations, subsequent IRS guidance, and the terms of the written plan may impose restrictions on both new and existing contracts, including restrictions on the availability of loans, distributions, transfers and exchanges, regardless of when a contract was purchased.

In general, certain contracts originally established by a 90-24 transfer prior to September 25, 2007 are exempt (or grandfathered) from some of the requirements of the final regulations; provided that no salary reduction or other contributions have ever been made to the contract, and that no additional transfers are made to the contract on or after September 25, 2007. Further, contracts that are not grandfathered were generally required to be part of, and subject to the requirements of an employer's 403(b) plan upon its establishment, but no later than by January 1, 2009.

The rules in the final regulations generally do not affect a participant's ability to transfer some or all of a 403(b) account to a state-defined benefit plan to purchase service credits, where such a transfer is otherwise consistent with applicable rules and requirements and with the terms of the employer's plan.

As a general matter, many Contracts that have received plan contributions after 2004, and all Contracts that have received plan contributions after 2008, are required to be included in the plan and in the plan's administrative coordination, even if the investment provider and the Contract are no longer permitted to receive new contributions and/or transfers. However, IRS guidance generally permits a plan sponsor to exclude a Contract where the plan sponsor has otherwise made a good faith effort to include the Contract issued by a provider that ceased to receive contributions prior to January 1, 2009, as well as such Contracts maintained by certain former employees. You should be aware, however, that some rules governing contracts inside and outside of the plan after 2008 are subject to different interpretations, as well as possible additional IRS guidance. In addition, a Contract maintained under a plan subject to the requirements of Title I of Employee Retirement Income Security Act of 1974, as amended ("ERISA") may be required to be included in the plan regardless of whether it remains eligible to receive contributions after a specified date. The foregoing discussion is intended as a general discussion of the requirements only, and you may

wish to discuss the requirements of the regulations and/or the general information above with your tax advisor.

## Legal Proceedings

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As of April 23, 2019, the Company has achieved final dismissal of a lawsuit filed in the Circuit Court of Kanawha County, West Virginia on November 12, 2009 by The West Virginia Investment Management Board and The West Virginia Consolidated Public Retirement Board (the "WV Boards"). The litigation concerned a contractual dispute regarding whether the WV Boards were entitled in 2008 to the immediate and complete withdrawal of funds invested in an annuity product issued by VALIC. In 2016, the parties stipulated to resolve the matter through final and non-appealable arbitration before an arbitration panel composed of three West Virginia Business Court judges. The panel issued its decision on April 28, 2017, and no recovery was awarded to the WV Boards. Thereafter, the claims against VALIC were dismissed and the Company's accrual for this contingent liability was reversed. In May 2017, notwithstanding the parties' stipulation that the arbitral decision would be final and non-appealable, the WV Boards appealed the arbitration decision to the West Virginia Supreme Court of Appeals. The appeal was denied on July 5, 2018, and the WV Boards' motion for reconsideration was denied on November 14, 2018. The

WV Boards have not appealed further, and the matter is concluded.

There are no pending legal proceedings affecting the Separate Account. Various federal, state and other regulatory agencies may from time to time review, examine or inquire into the operations, practices and procedures of the Company, such as through financial examinations, subpoenas, investigations, market conduct exams or regulatory inquiries. Based on the current status of pending regulatory examinations, investigations and inquiries involving the Company, the Company believes it is not likely that these regulatory examinations, investigations or inquiries will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Various other lawsuits against the Company have arisen in the ordinary course of business. As of April 23, 2019, the Company believes it is not likely that contingent liabilities arising from such lawsuits will have a material adverse effect on the Company's statutory financial statements.

## Financial Statements

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Financial statements of VALIC, the Separate Account and American Home are included in the SAI. For additional information about the Contracts, you may request a copy of the SAI. We have filed the SAI with the SEC and have incorporated it by reference into this prospectus. You may obtain a free copy of the SAI if you write us at VALIC Document Control, P.O. Box 15648, Amarillo, Texas 79105 or call us at 1-800-448-2542.

Information about the Separate Account, including the SAI, can also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Inquiries on the operations of the Public Reference Room may be made by calling the SEC at 1-202-942-8090. Reports and other information about the Separate Account are available on the SEC's Internet site at <http://www.sec.gov> and copies of this information may be obtained, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC, 100 F Street, N.W., Washington D.C. 20549.

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### TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION

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General Information .....	2
Federal Tax Matters.....	2
Exchange Privilege.....	11
Calculation of Surrender Charge.....	12
Purchase Unit Value.....	14
Payout Payments .....	15
Distribution of Variable Annuity Contracts .....	16
Experts.....	17
Comments on Financial Statements .....	17

The Independence Plus Contract Series is composed of Contract Forms UIT-585-96 and UITG-585-96.

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