

BlackRock[®]

Securing Your Retirement

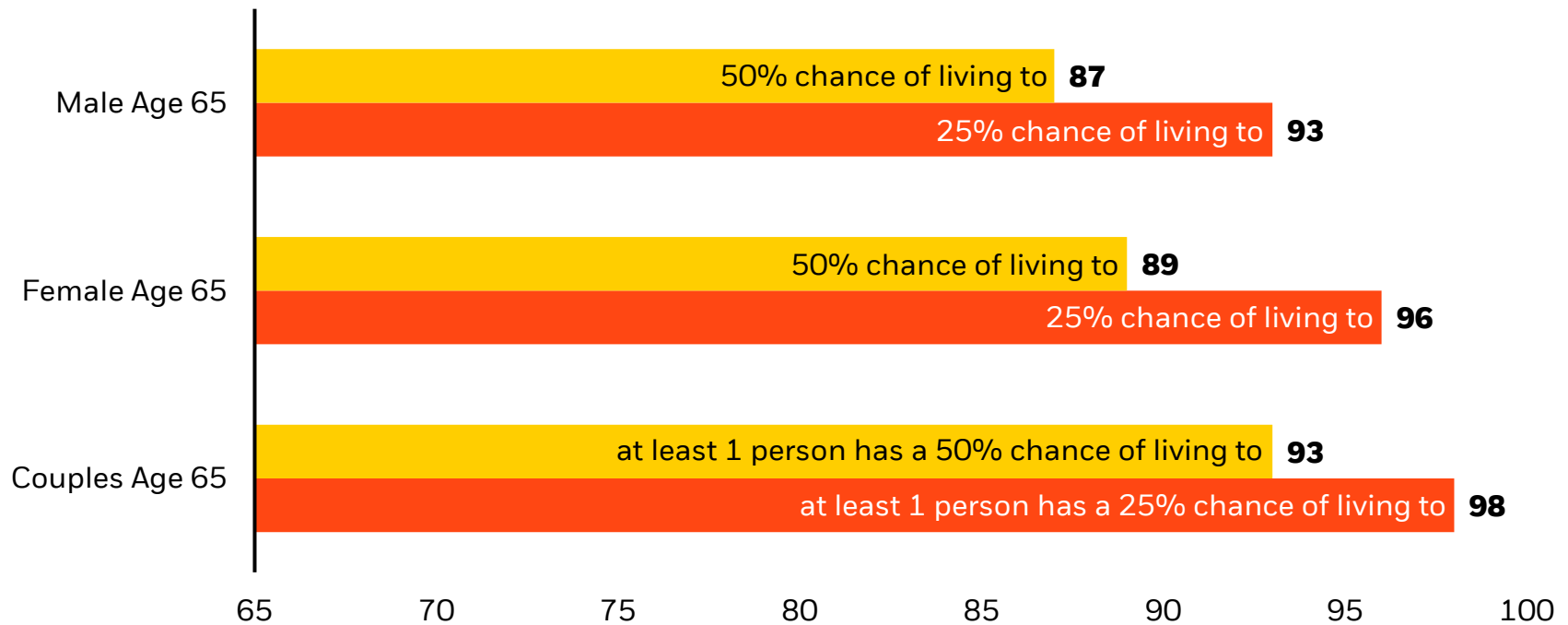
Transforming Social Security into a Winning Retirement Strategy



Living longer

Life expectancy upon retirement at age 65

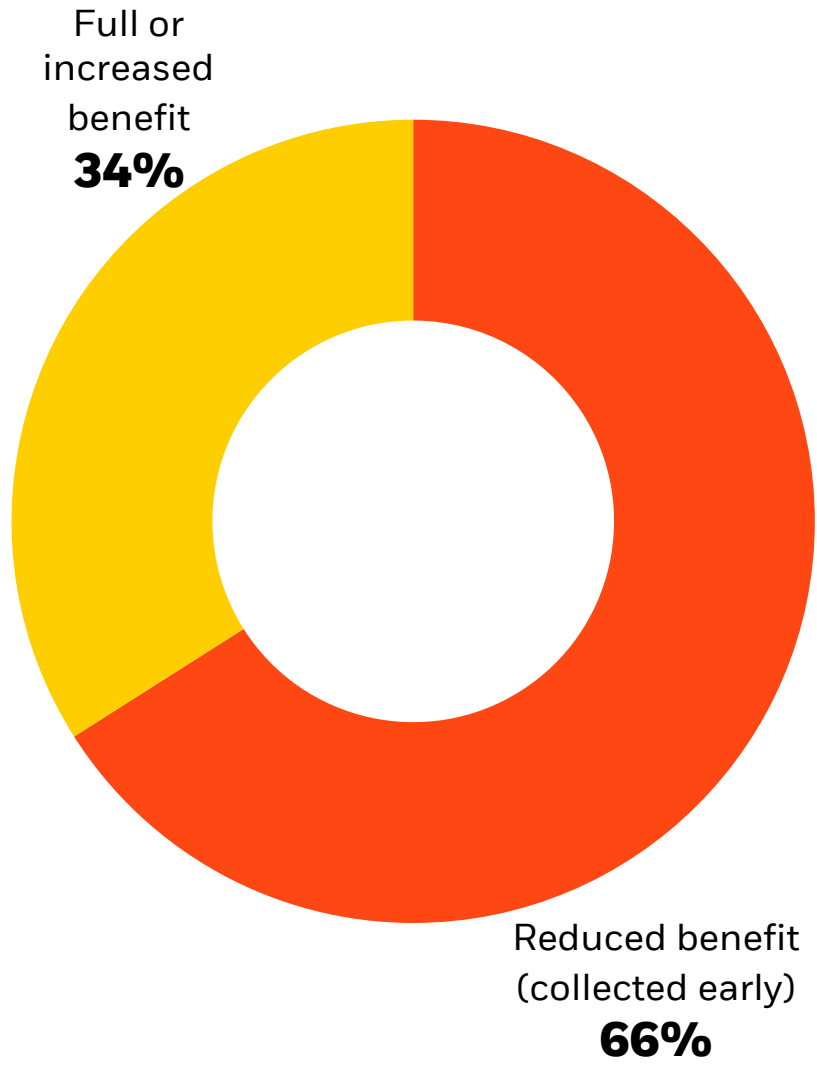
A healthy 65-year-old female has a 50% chance of living until age 89 (24 more years)



Source: Society of Actuaries' Annuity RP-2014 Total Healthy Annuitant rates, Scale MP-2014. Figures assume you are in good health.



But collecting early



Source: Social Security Administration's Annual statistical supplement, 2021.



Rules of retirement benefits

Individual benefits

Individual benefits

Earnings Record

Review your earnings history below to ensure it is accurate. This is important because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings, but you can view them online with [my Social Security](#). If you find an error view your full earnings record online and call 1-800-772-1213.

| Work Year | Earnings Taxed for Social Security | Earnings Taxed for Medicare (began 1966) |
|-----------|------------------------------------|--|
| 1971-1980 | \$ 20,000 | \$ 20,000 |
| 1981-1990 | 41,250 | 41,250 |
| 1991-2000 | 257,712 | 257,712 |
| 2001 | 34,915 | 34,915 |
| 2002 | 35,591 | 35,591 |
| 2003 | 36,717 | 36,717 |
| 2004 | 38,686 | 38,686 |
| 2005 | 40,325 | 40,325 |
| 2006 | 42,315 | 42,315 |
| 2007 | 44,346 | 44,346 |
| 2008 | 45,472 | 45,472 |
| 2009 | 44,711 | 44,711 |
| 2010 | 45,847 | 45,847 |
| 2011 | 47,146 | 47,146 |
| 2012 | 48,349 | 48,349 |
| 2013 | 48,606 | 48,606 |
| 2014 | 49,860 | 49,860 |
| 2015 | 50,850 | 50,850 |
| 2016 | 50,158 | 50,158 |
| 2017 | 50,440 | 50,440 |
| 2018 | 50,653 | 50,653 |
| 2019 | 50,957 | 50,957 |
| 2020 | 51,995 | 51,995 |
| 2021 | Not yet recorded | |

Best 35 Years

Taxes Paid

Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record.

| | |
|---|--|
| Social Security taxes You paid: \$34,288 Employer(s): \$36,003 | Medicare taxes You paid: \$19,396 Employer(s): \$19,396 |
|---|--|

[SSA.gov](#) | Follow us on social media [ssa.gov/socialmedia](#)

Form SSA-7005-SM-OL (05/21)

Earnings Not Covered by Social Security

You may also have earnings from work not covered by Social Security. This work may have been for federal, state, or local government or in a foreign country. If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. To find out more, visit [ssa.gov/gpo-wep](#).

Important Things to Know about Your Social Security Benefits

- Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
- You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 35 years of earnings. If you have fewer than 35 years of earnings, years without work count as 0 and may reduce your benefit amount.
- We use cost of living adjustments so your benefits will keep up with inflation.
- The age you claim benefits will affect the benefit amount for your surviving spouse.
- If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
- If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse's record. If your divorced spouse receives benefits on your record, that does not affect your or your current spouse's benefit amounts.
- When you apply for either retirement or spousal benefits, you may be required to apply for the other benefit as well.
- For more information about benefits for you and your family, visit [ssa.gov/benefits/retirement/planner/applying7.html](#).
- When you are ready to apply, visit us at [ssa.gov/benefits/retirement/apply.html](#).
- The *Statement* is updated annually. It is available upon request, either online or by mail.

Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn "credits" through your work — up to four each year. Your full retirement age is 67, based on your date of birth: April 10, 1960. As shown in the chart, you can start your benefits at any time between ages 62 and 70. **For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn \$51,995 per year until you start your benefits. To learn more about retirement benefits, visit [ssa.gov/benefits/retirement/learn.html](#).

Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now, your monthly payment would be about **\$1,656 a month**.

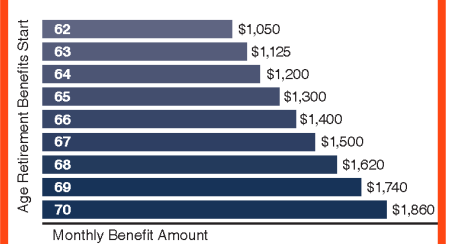
Survivors Benefits

You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

| | |
|--|----------------|
| Minor child: | \$2,129 |
| Spouse, if caring for a disabled child or child younger than age 16: | \$2,129 |
| Spouse, if benefits start at full retirement age: | \$2,838 |
| Total family benefits cannot be more than: | \$4,968 |

Your spouse or minor child may be eligible for an additional one-time death benefit of \$255.

Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



Medicare

You have enough credits to qualify for Medicare at age 65. Medicare is the federal health insurance program for:

- people age 65 and older,
- under 65 with certain disabilities, and
- people of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

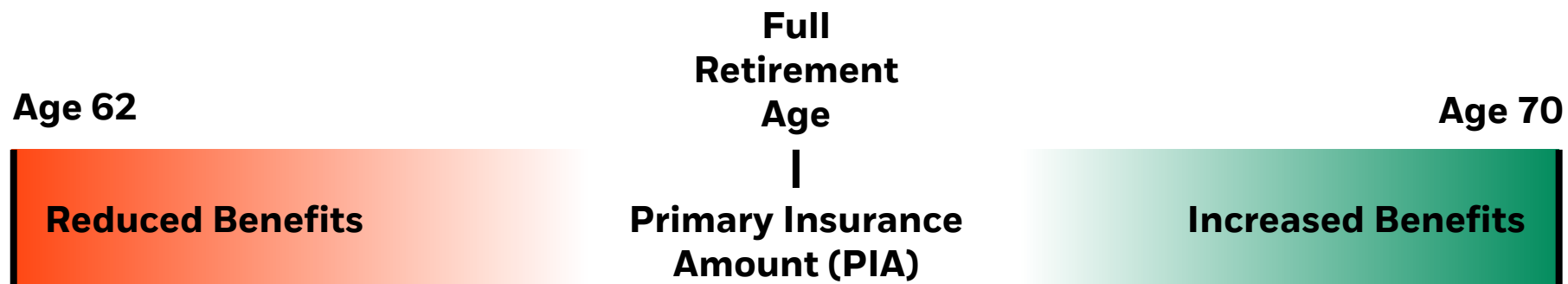
Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit [medicare.gov](#) or [ssa.gov/medicare](#) or call **1-800-MEDICARE (1-800-633-4227)** (TTY 1-877-486-2048).

www.ssa.gov



The tradeoff for individual benefits



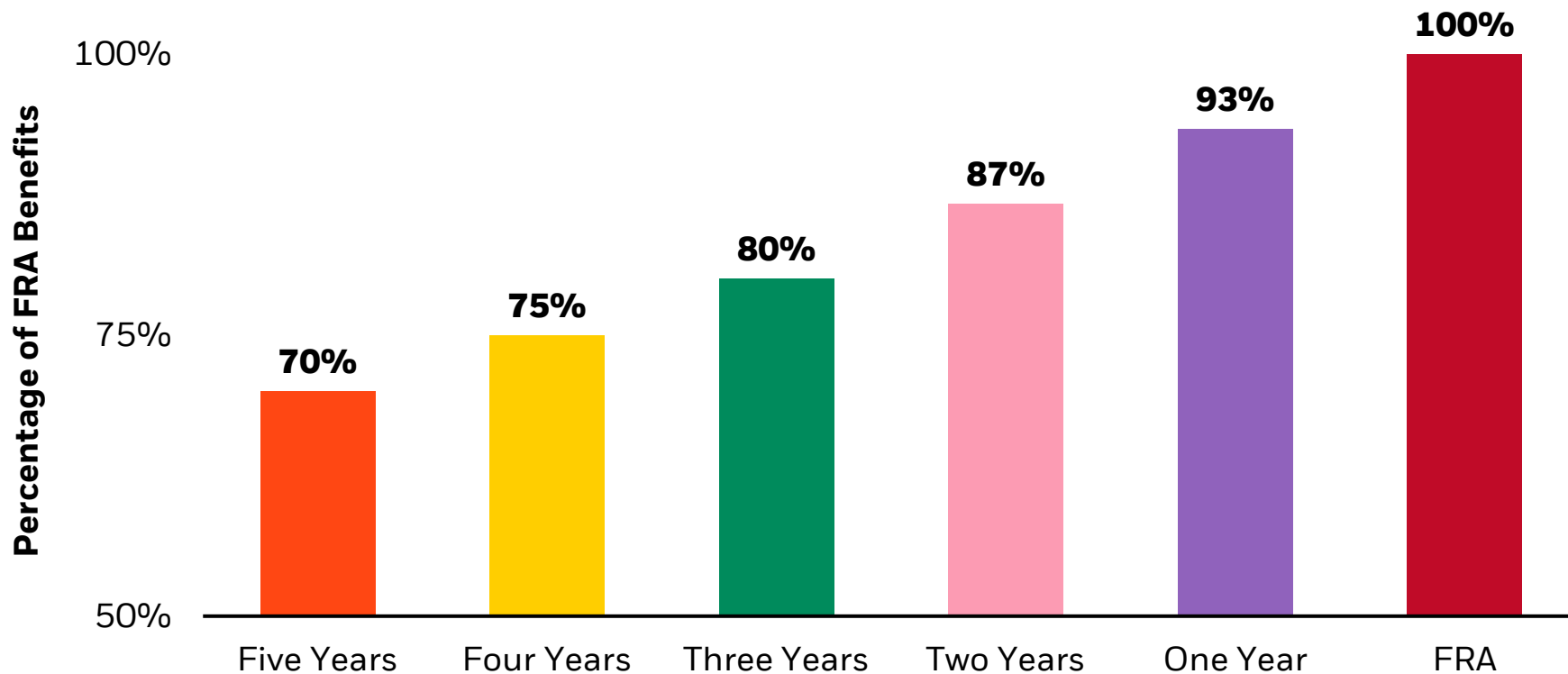
Full Retirement Age (FRA)



Source: Social Security Administration (www.ssa.gov).



Cost of collecting early



Source: Social Security Administration (www.ssa.gov). Assumes full retirement age of 67.



Considerations for collecting early

Working



Longevity



Spouse





Continuing to work while collecting early

2022 retirement earnings limit

Applies to any retirement benefits collected before FRA. Earnings limit looks at wages only.

| Your age | 2022 limit | What happens above the limit |
|----------------------------|-----------------------|---|
| Under FRA | \$19,560 /year | \$1 of benefits withheld per \$2 of earnings above limit |
| Year reach FRA | \$51,960 /year | \$1 of benefits withheld per \$3 in earnings above limit for months prior to reaching FRA |
| Month reach FRA and beyond | None | Nothing |

Source: Social Security Administration (www.ssa.gov).

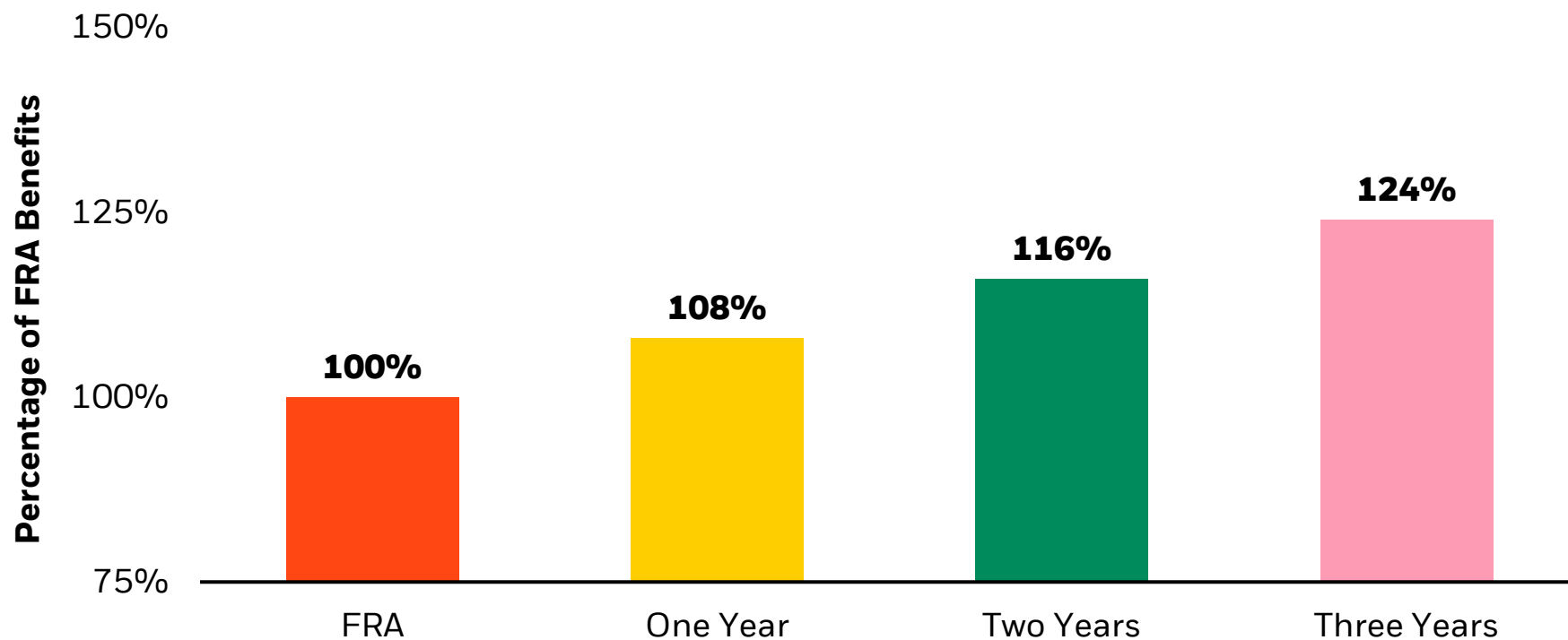
Changing your mind

| | | | |
|---|---|---|---|
| SOCIAL SECURITY ADMINISTRATION | | Form Approved TOE 420 OMB No. 0960-0015 | |
| REQUEST FOR WITHDRAWAL OF APPLICATION | | | Do not write in this space |
| <p>IMPORTANT NOTICE.— This is a request to cancel your application. If it is approved, the decision we made on your application will have no legal effect, all rights attached to an application, including the rights of reconsideration, hearing, and appeal will be forfeited, and any payments we made to you or anyone else on the basis of that application will have to be returned. You must then reapply if you want a determination of your Social Security rights at any time in the future but any subsequent application may not involve the same retroactive period. This procedure is intended to be used only when your decision to file has resulted, or will result, in a disadvantage to you. Your local Social Security office will be glad to explain whether, and how, this procedure will help you.</p> | | | |
| NAME OF WAGE EARNER, SELF-EMPLOYED INDIVIDUAL, OR ELIGIBLE INDIVIDUAL | | SOCIAL SECURITY NUMBER | |
| PRINT YOUR NAME (First name, middle initial, last name) | | DATE OF APPLICATION | TYPE OF BENEFIT |
| | | TYPE OF APPLICATION | |
| <p>I hereby request the withdrawal of my application, dated as above, for the reasons stated below. I understand that (1) this request may not be cancelled after 60 days from the mailing of notice of approval; and (2) if a determination of my entitlement has been made, there must be repayment of all benefits paid on the application I want withdrawn, and all other persons whose benefits would be affected must consent to this withdrawal. I further understand that the application withdrawn and all related material will remain a part of the records of the Social Security Administration and that this withdrawal will not affect the proper crediting of wages or self-employment income to my Social Security earnings record.</p> | | | |
| Give reason for withdrawal. (If you need more space, use the reverse of this form.) | | | |
| <p>1. <input type="checkbox"/> I intend to continue working. (I have been advised of the alternatives to withdrawal for applicants under full retirement age and still wish to withdraw my application.)</p> <p>2. <input type="checkbox"/> Other (Please explain fully): _____</p> <p>_____</p> <p>_____</p> | | | |
| | | | <input type="checkbox"/> Continued on reverse |
| SIGNATURE OF PERSON MAKING REQUEST | | | |
| Signature (First name, middle initial, last name) (Write in ink) | | Date (Month, day, year) | |
| SIGN HERE ► | | Telephone Number (include area code) | |
| | | Mailing Address (Number and Street, Apt. No., P.O. Box, or Rural Route) | |
| City and State | | ZIP Code | Enter Name of County (if any) in which you now live |
| <p>Witnesses are required ONLY if this request has been signed by mark (X) above. If signed by mark (X), two witnesses to the signing who know the person making the request must sign below, giving their full addresses.</p> | | | |
| 1. Signature of Witness | | 2. Signature of Witness | |
| Address (Number and Street, City, State and ZIP Code) | | Address (Number and Street, City, State and ZIP Code) | |
| FOR USE OF SOCIAL SECURITY ADMINISTRATION | | | |
| <input type="checkbox"/> APPROVED | <input type="checkbox"/> NOT APPROVED BECAUSE _____ | <input type="checkbox"/> BENEFITS NOT REPAYED | <input type="checkbox"/> CONSENT(S) NOT OBTAINED |
| | | <input type="checkbox"/> OTHER (Attach special determination) | |
| SIGNATURE OF SSA EMPLOYEE | | TITLE | DATE |
| | | <input type="checkbox"/> CLAIMS AUTHORIZER | <input type="checkbox"/> OTHER (Specify) |

Source: Social Security Administration (www.ssa.gov).



Guaranteed increases for collecting late

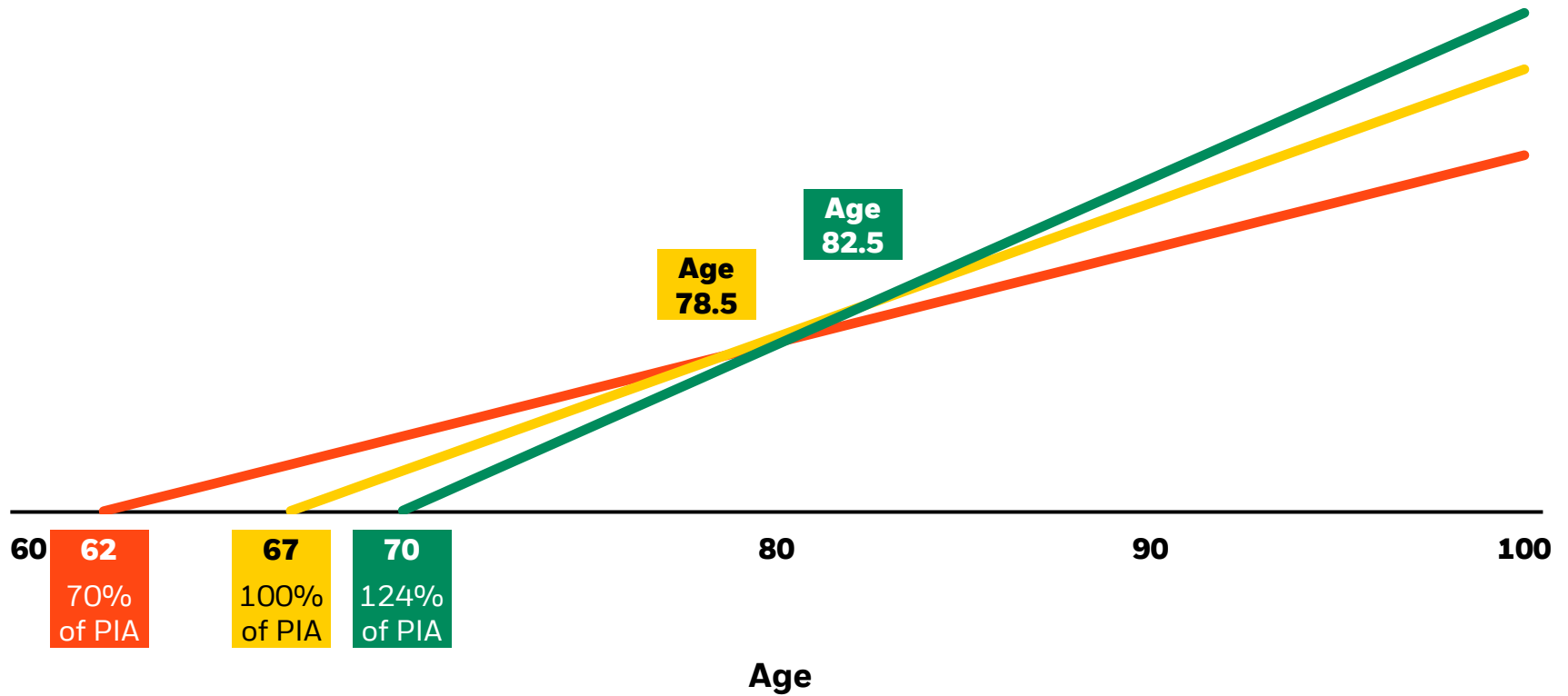


Source: Social Security Administration (www.ssa.gov). Assumes full retirement age of 67.



A question of longevity

Break even analysis



Assumes individual has a FRA of 67.



Rules of retirement benefits

Spousal and survivor benefits

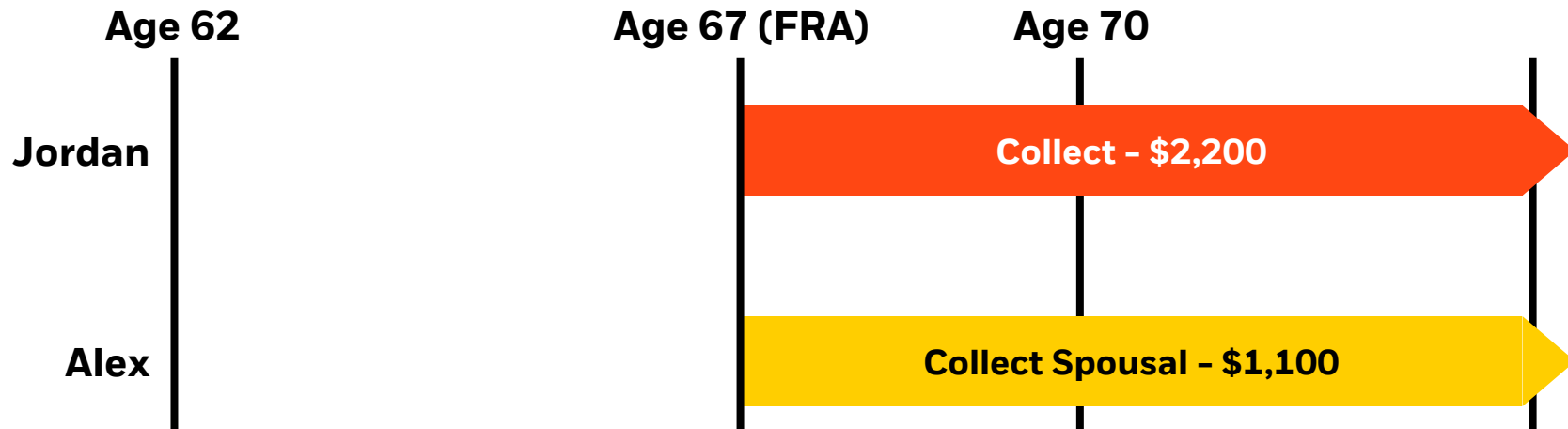


Spousal benefits amount

Jordan
PIA: \$2,200

Alex
PIA: \$0

50% x \$2,200
\$1,100



Source: Social Security Administration (www.ssa.gov).



Spousal benefits amount

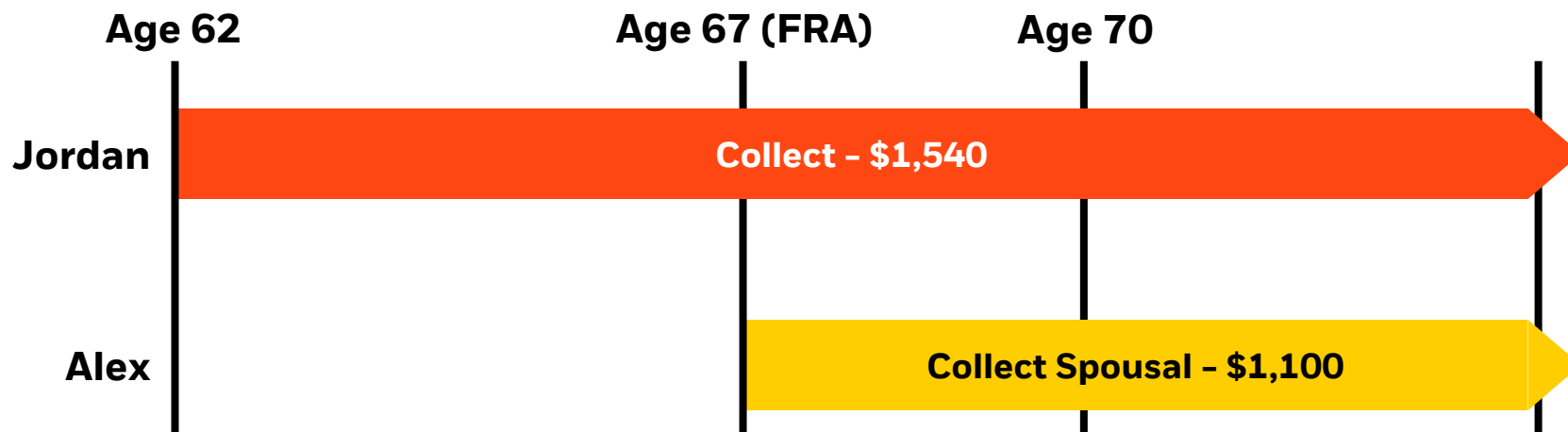
Jordan

PIA: \$2,200

Alex

PIA: \$0

**50% x \$2,200
\$1,100**

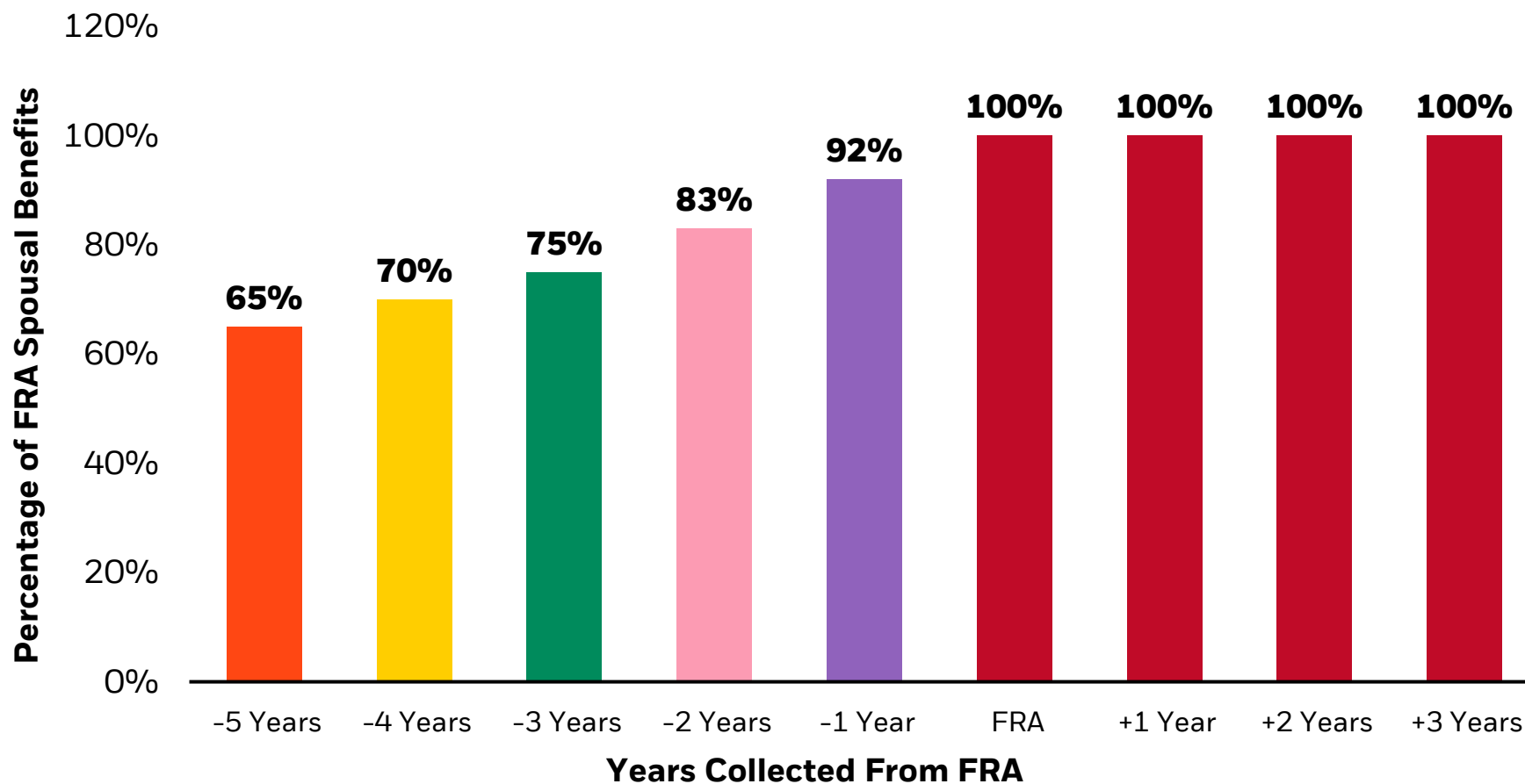


Source: Social Security Administration (www.ssa.gov).



Spousal benefits reduction

Maximum spousal benefit amount



Source: Social Security Administration (www.ssa.gov). Assumes full retirement age of 67.



Spousal benefits eligibility

Jordan
PIA: \$2,200

Alex
PIA: \$0



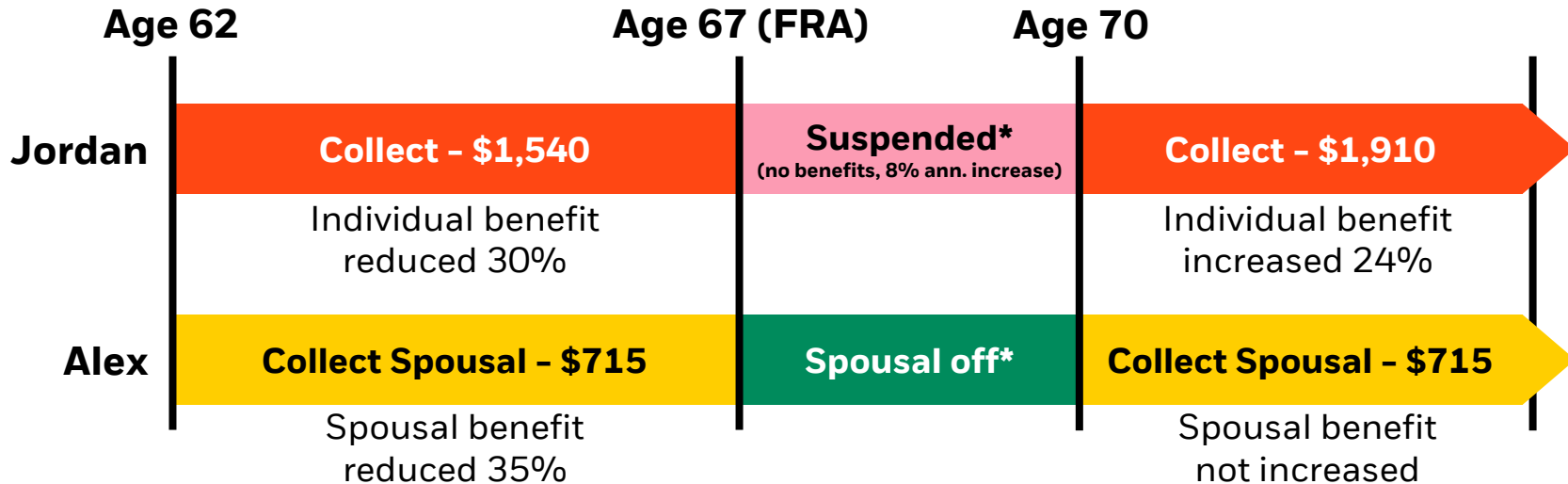
Source: Social Security Administration (www.ssa.gov).



Suspending benefits still option with new consequences

Jordan
PIA: \$2,200

Alex
PIA: \$0



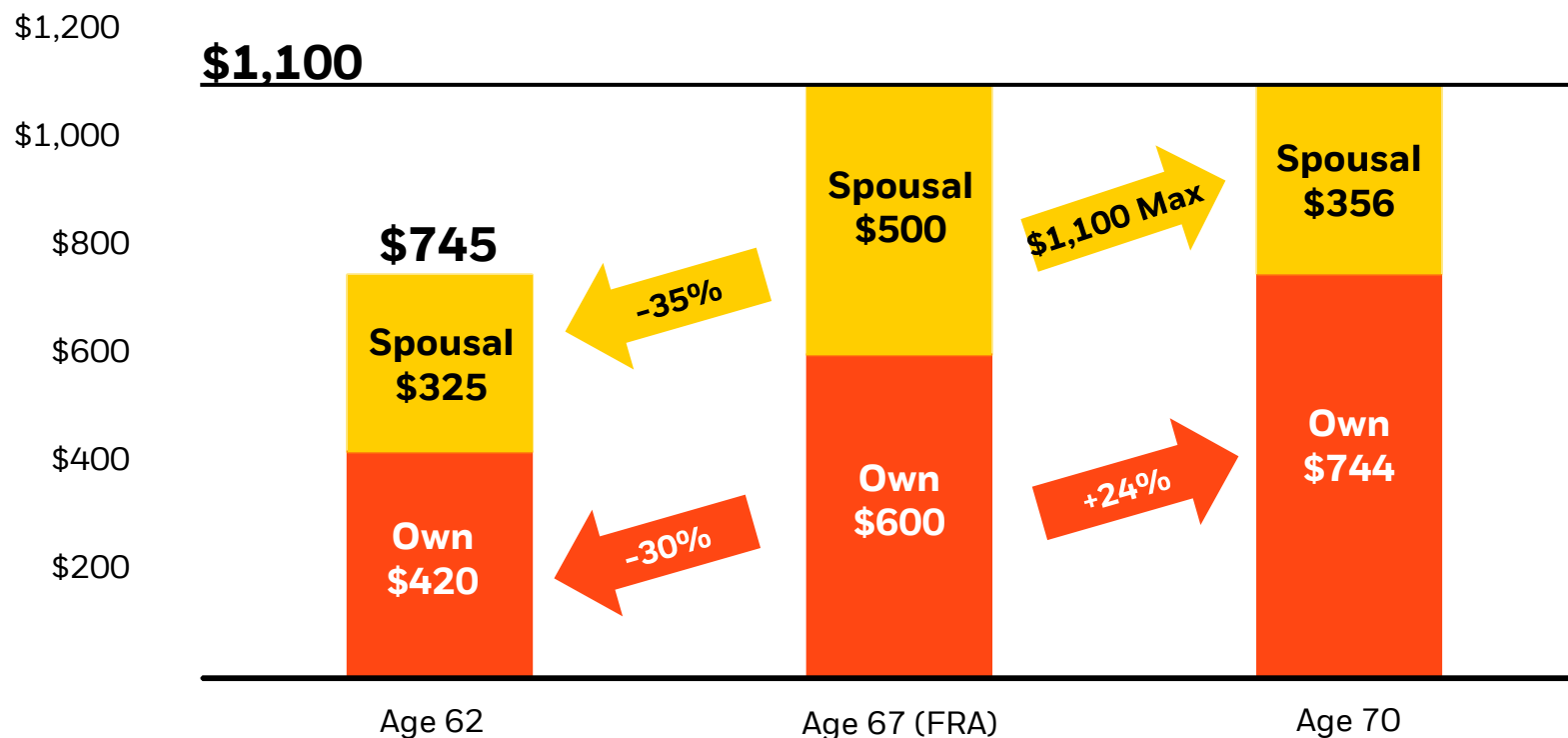
Source: Social Security Administration (www.ssa.gov). *If request to suspend is made after April 30, 2016.



Adding spousal benefits to individual benefits

Jordan
PIA: \$2,200

Alex
PIA: \$600



Source: Social Security Administration (www.ssa.gov).



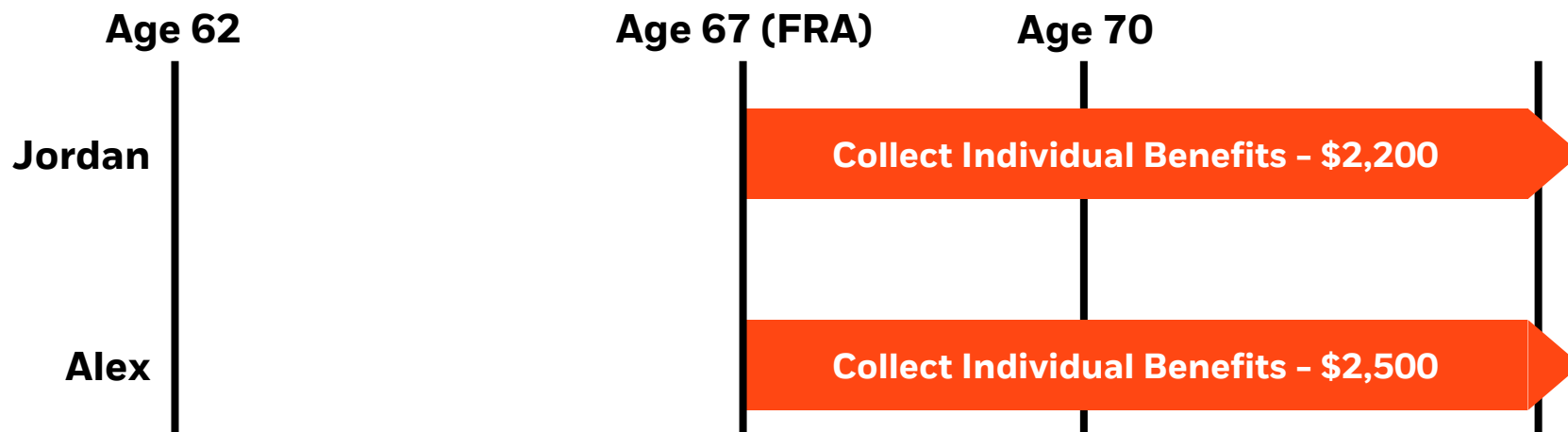
Spousal benefits eligibility

Jordan

PIA: \$2,200

Alex

PIA: \$2,500

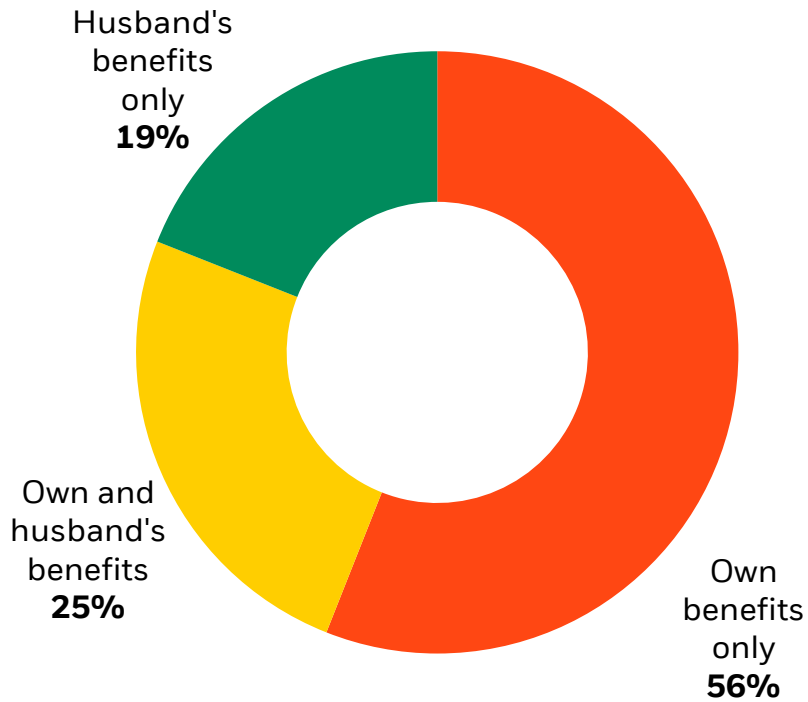


Source: Social Security Administration (www.ssa.gov).



Survivor benefits

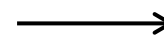
Women are collecting their husband's benefits



Jordan
PIA: \$2,200

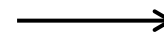
Alex
PIA: \$600

Jordan's benefits
(64, 6 months)
\$1,833



Survivor
benefits
\$1,833

Jordan's benefits
(70)
\$2,728



Survivor
benefits
\$2,728

Source: Social Security Administration's Annual statistical supplement, 2021. Assumes full retirement age of 67 and primary insurance amount of \$2,200.



Collection strategies



Married couple collecting at age 62

Jordan

YOB: 1960

PIA: \$2,200

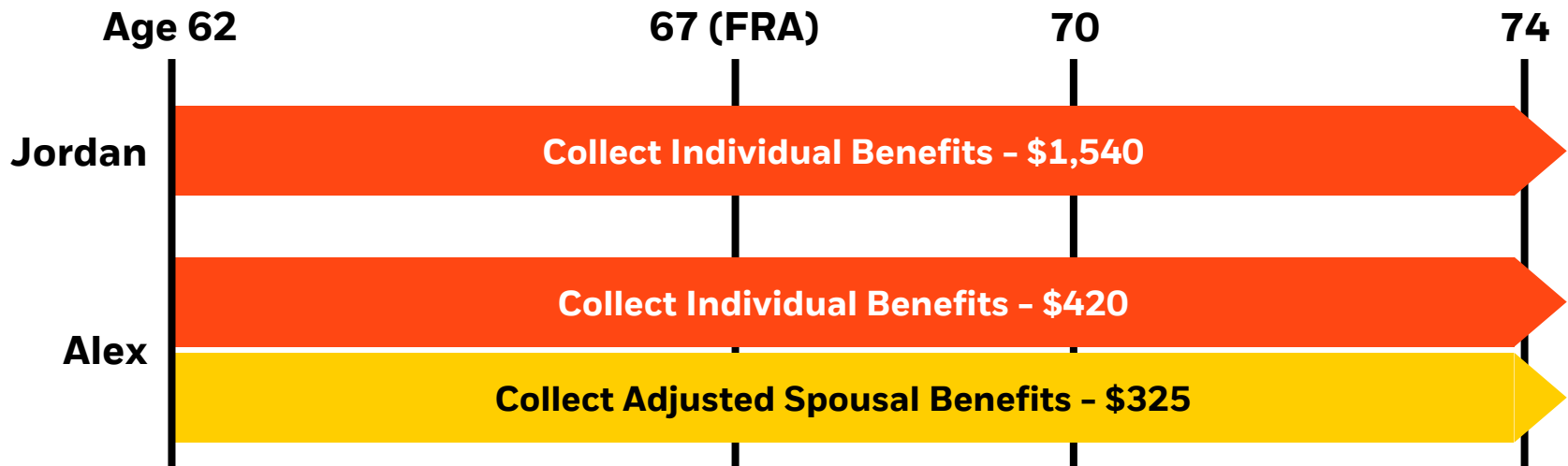
Lives through age 75

Alex

YOB: 1960

PIA: \$600

Lives through age 84



Jordan's Benefits

\$258,720

Alex's Benefits

\$70,560

Spousal Benefits

\$54,600

Survivor Benefits

\$196,020

Total

\$579,900



Married couple collecting at age 67 (FRA)

Jordan

YOB: 1960

PIA: \$2,200

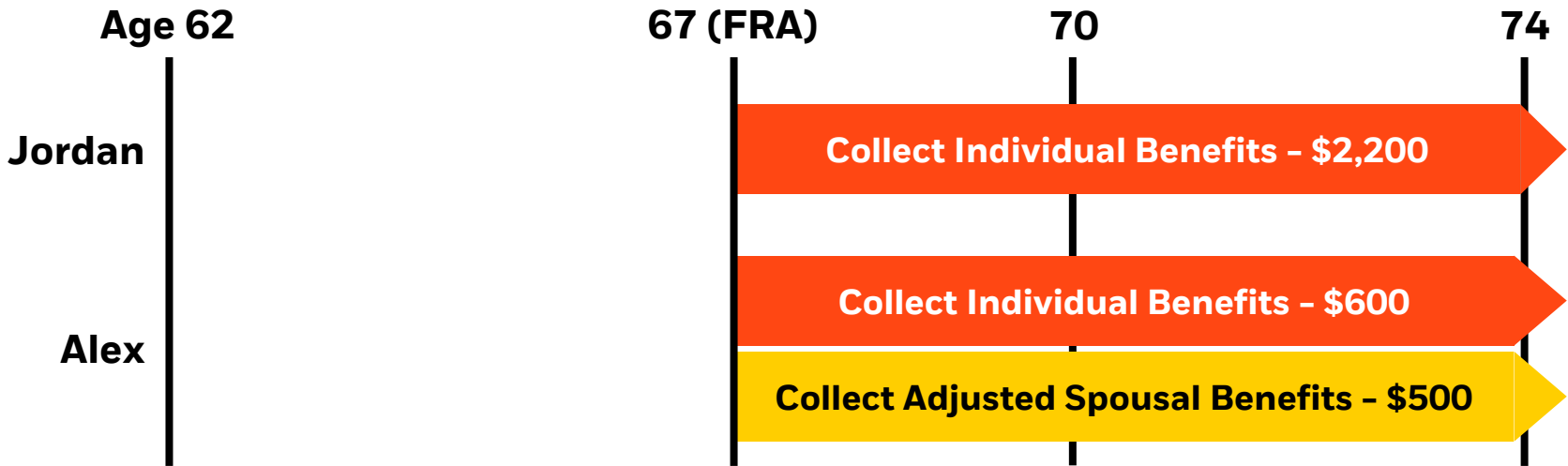
Lives through age 75

Alex

YOB: 1960

PIA: \$600

Lives through age 84



Both Age 62
\$579,900

Both FRA
\$594,000



Married couple collecting at age 70

Jordan

YOB: 1960

PIA: \$2,200

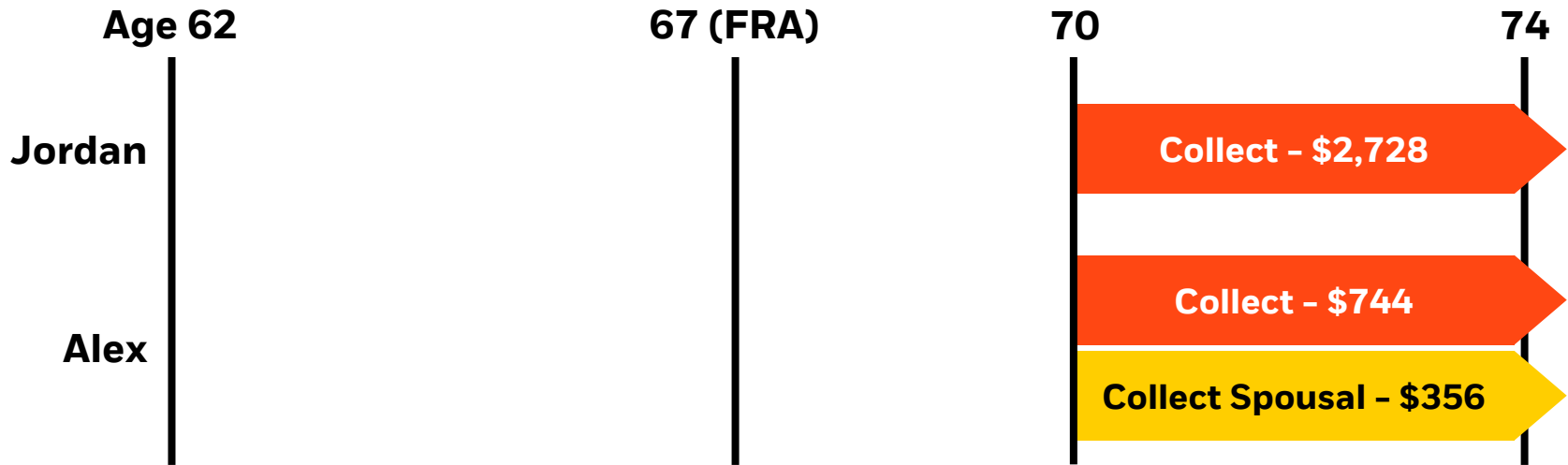
Lives through age 75

Alex

YOB: 1960

PIA: \$600

Lives through age 84



Both Age 62
\$579,900

Both FRA
\$594,000

Both Age 70
\$570,240



Married couple with large difference in benefits

Jordan

YOB: 1960

PIA: \$2,200

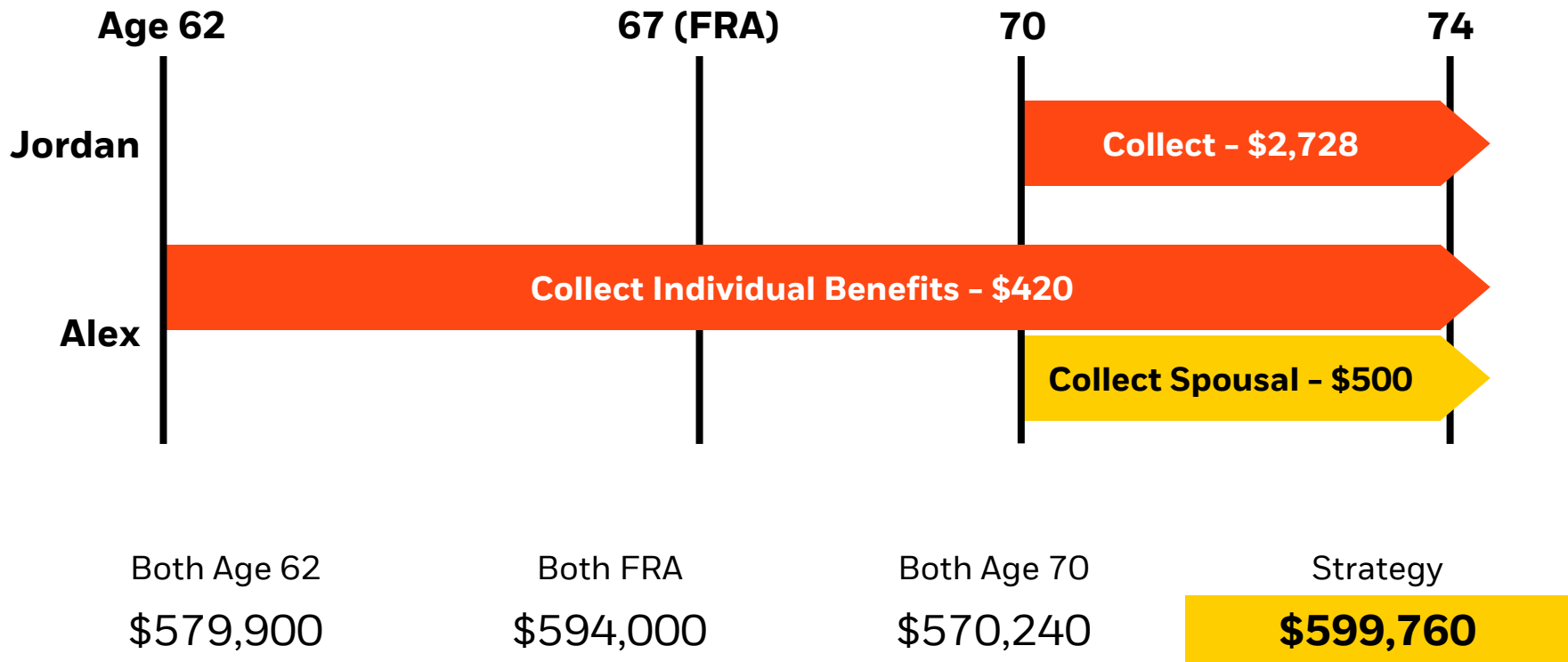
Lives through age 75

Alex

YOB: 1960

PIA: \$600

Lives through age 84





Married couple with large difference in benefits

Jordan

YOB: 1960

PIA: \$2,200

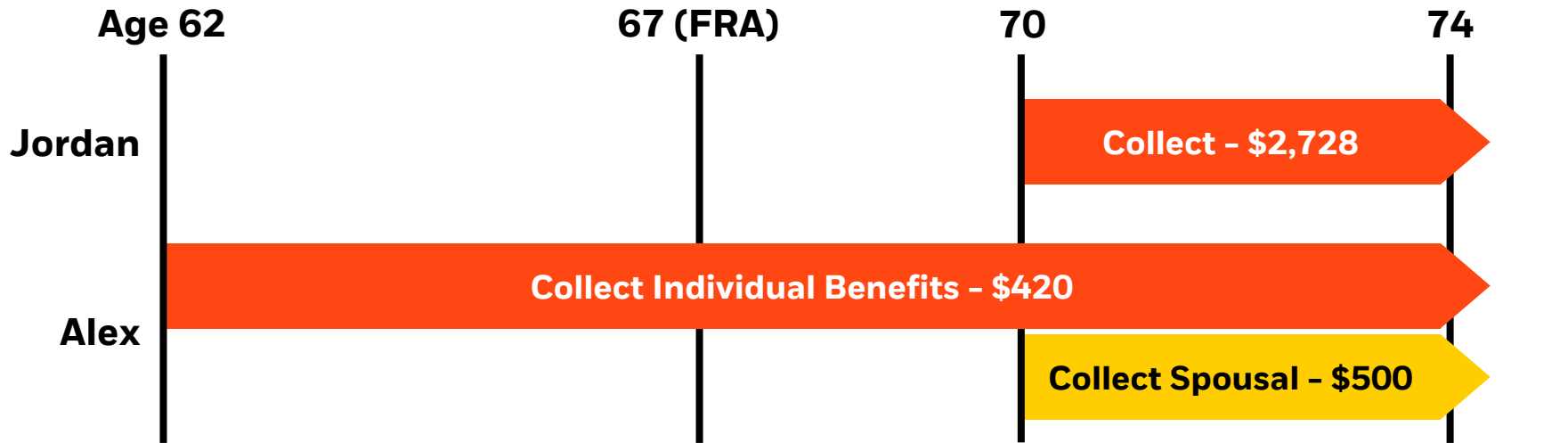
Lives through age 85

Alex

YOB: 1960

PIA: \$600

Lives through age 92



Both Age 62
\$810,540

Both FRA
\$937,200

Both Age 70
\$964,128

Strategy
\$969,888



Restricted application available if born 1953 or earlier

Jordan

YOB: 1953

PIA: \$2,200

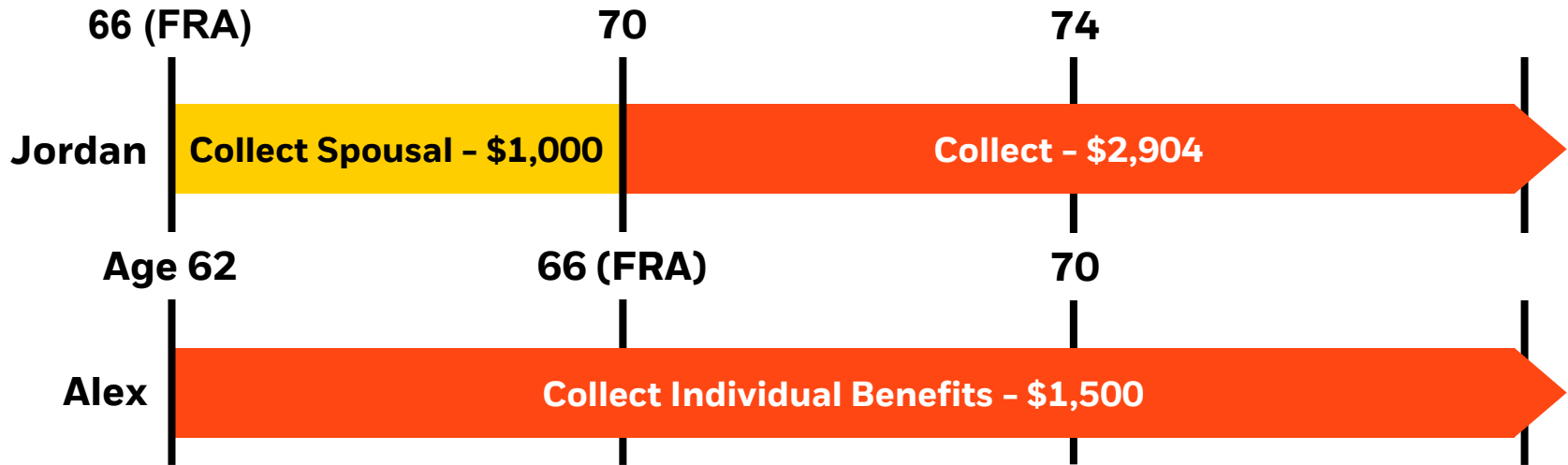
Lives through age 85

Alex

YOB: 1957

PIA: \$2,000

Lives through age 92



Both Age 62

\$1,074,780

Both FRA

\$1,202,400

Both Age 70

\$1,321,056

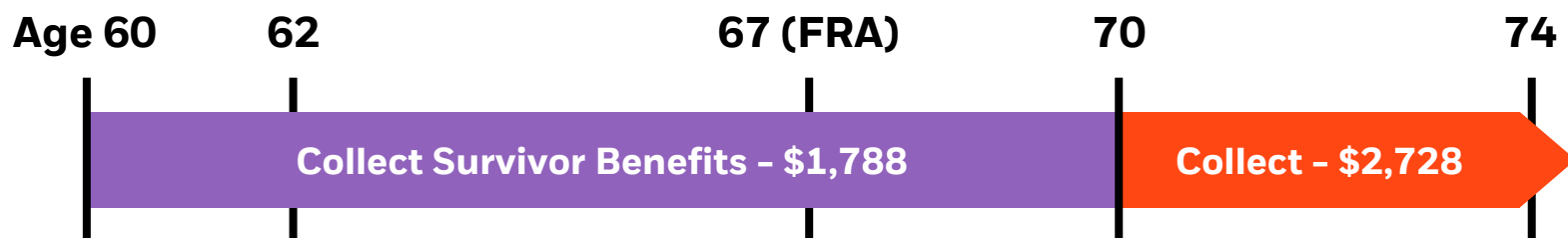
Strategy

\$1,348,896



Widow with significant individual benefits

Chris
PIA: \$2,200
Survivor: \$2,500
Lives through age 92



Age 62
\$740,679

FRA
\$780,000

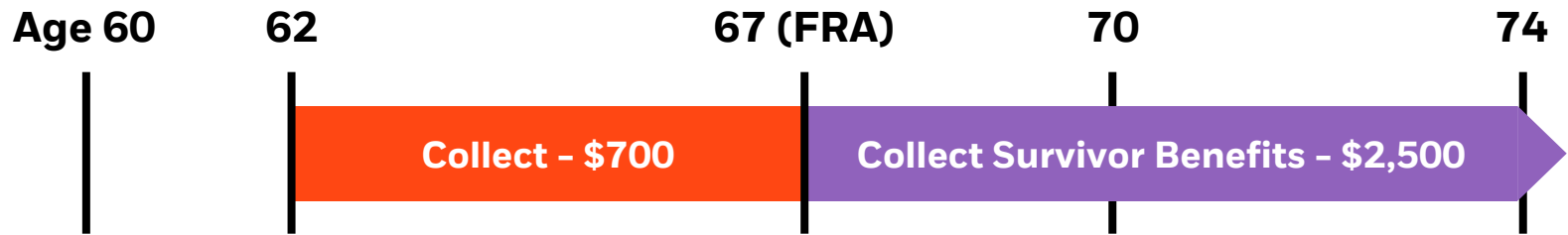
Age 70
\$752,928

Strategy
\$967,428



Widow with lower individual benefits

Chris
PIA: \$1,000
Survivor: \$2,500
Lives through age 92



Age 62
\$740,679

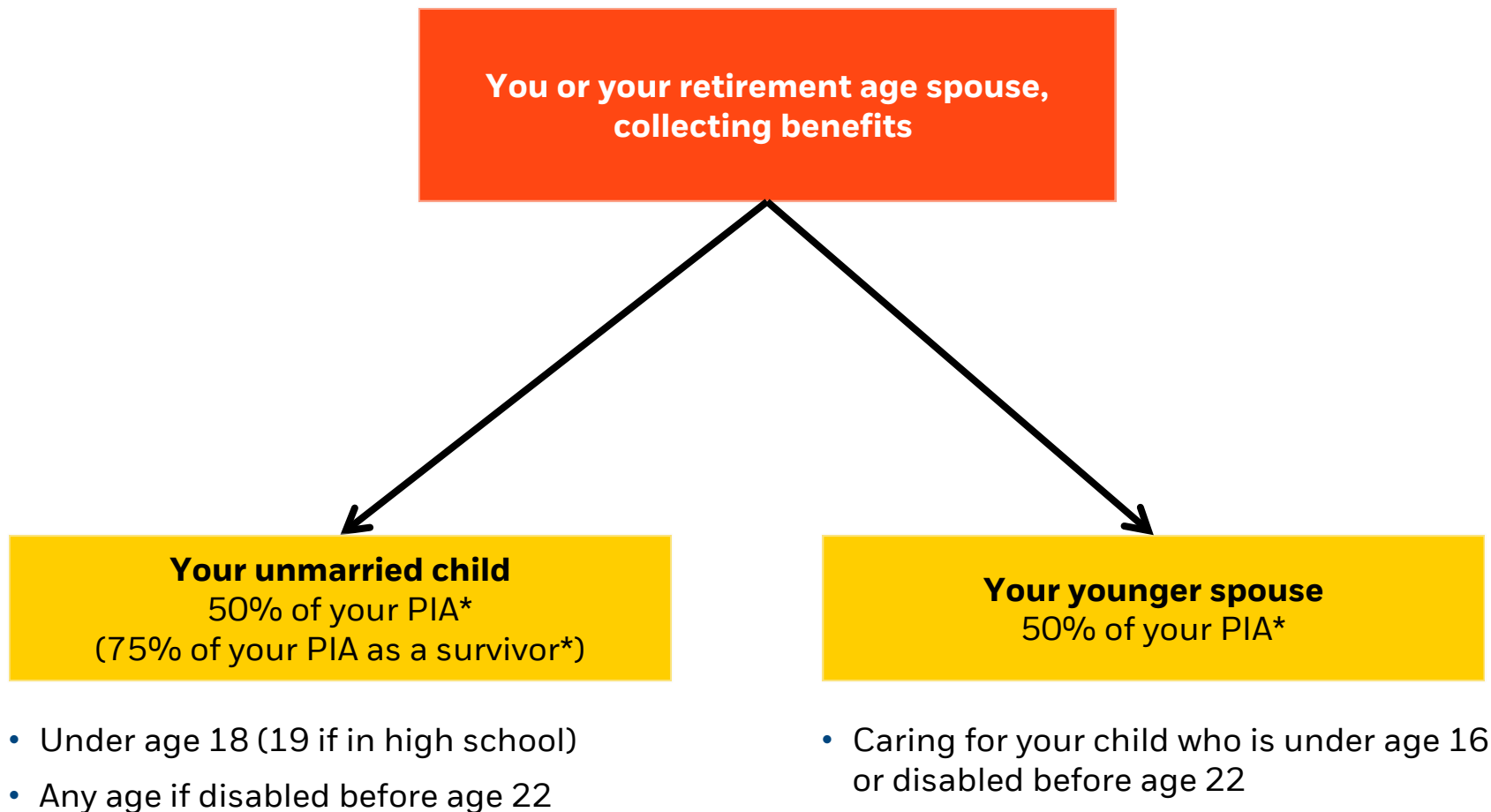
FRA
\$780,000

Age 70
\$690,000

Strategy
\$822,000



Additional beneficiaries



*Subject to family maximum.

Source: Social Security Administration (www.ssa.gov).



Additional beneficiaries – Divorced spouse

Spousal benefits

- Married to ex-spouse for 10+ years
- Unmarried
- Both are at least age 62
- Divorced for at least 2 years*

Survivor benefits

- Married to ex-spouse for 10+ years
- Unmarried or married after age 60
- At least age 60

*2 years does not apply if the individual was eligible for spousal benefits at the time of divorce.

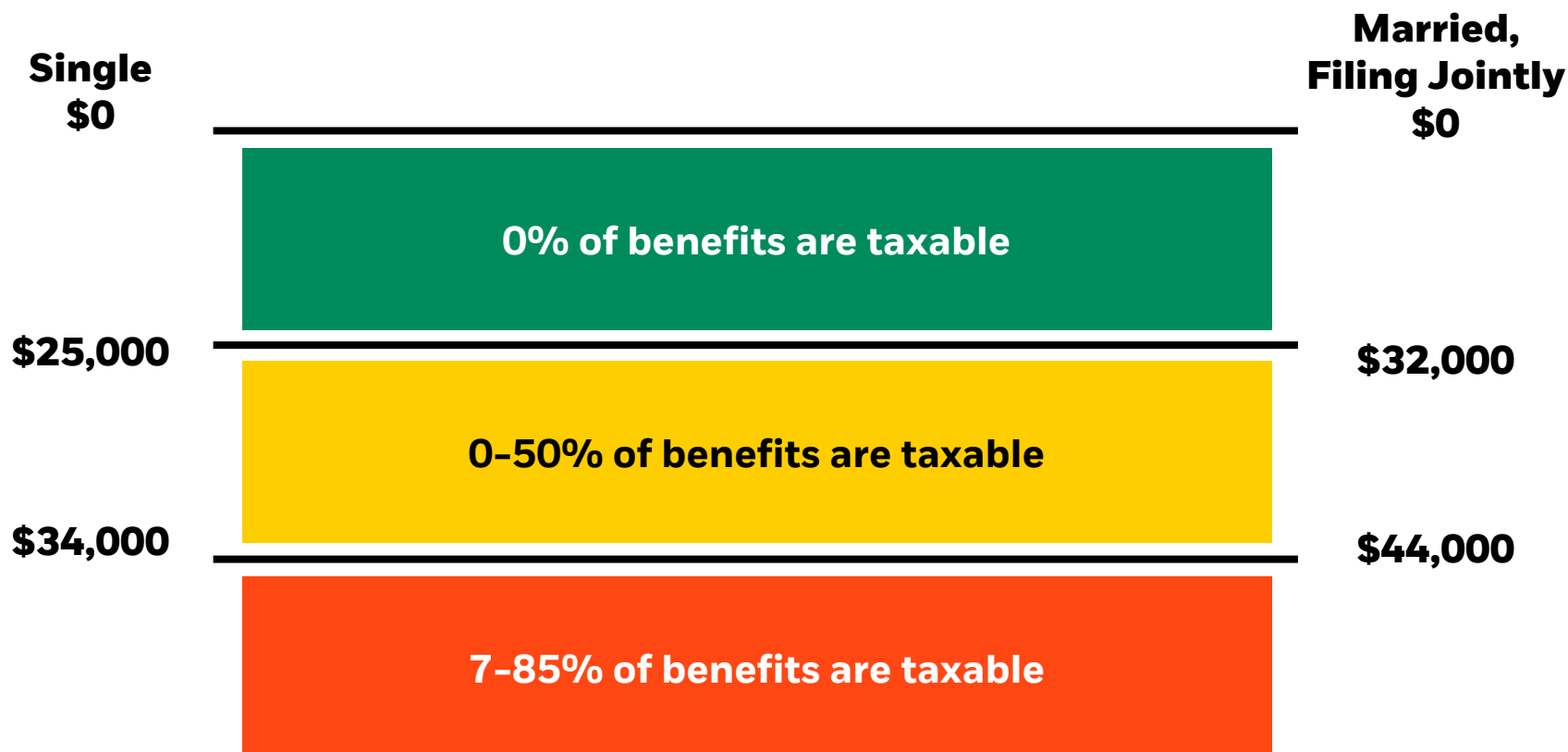
Source: Social Security Administration (www.ssa.gov).



Taxation of Social Security benefits

Provisional Income =

$\frac{1}{2}$ Social Security benefits + Modified Adjusted Gross Income



Source: Social Security Administration (www.ssa.gov).



Next steps

Download your statement at www.ssa.gov.

Meet with your financial professional to review a personalized analysis.

Incorporate collection into your retirement plan.



How to file for benefits

1. Online: Preferred method. Go to www.ssa.gov. Click on “benefits” then “retirement” then “apply for retirement benefits.”

2. In Person: Call Social Security at 1-800-772-1213 and schedule an appointment for an in office interview to file for benefits.

3. Via Phone: Call Social Security at 1-800-772-1213 and schedule an appointment for a telephone interview to file for benefits.

Important Notes

This material is provided for educational purposes only and does not constitute investment advice. The information contained herein is based on current tax laws, which may change in the future. BlackRock cannot be held responsible for any direct or incidental loss resulting from applying any of the information provided in this publication or from any other source mentioned. The information provided in these materials does not constitute any legal, tax or accounting advice. Please consult with a qualified professional for this type of advice.

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NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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BlackRock®



Government Pension Offset (GPO)

Your pension could reduce your spousal or survivor benefits

$$\begin{array}{rcccl} \text{Pension} & & & & \text{Offset} \\ \$1,500 & \times & 2/3 & = & \$1,000 \end{array}$$

Spousal Benefits

\$1,100



\$100

Survivor Benefits

\$2,200

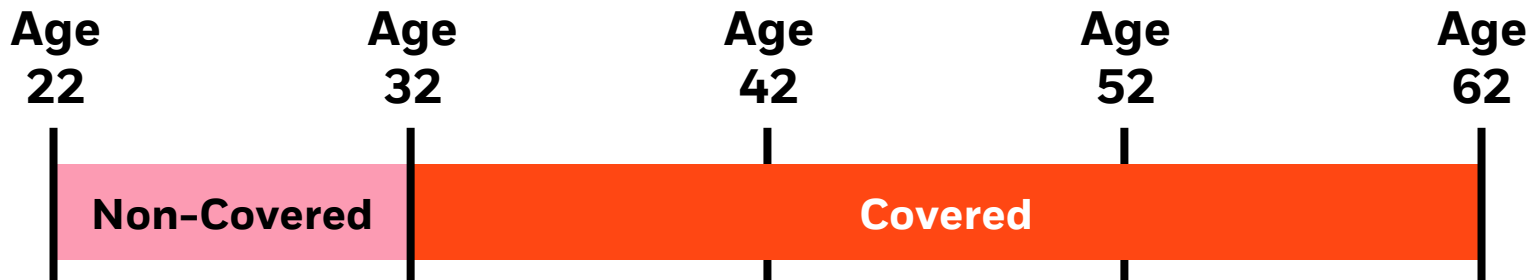


\$1,200



Windfall Elimination Provision (WEP)

Your pension could reduce your own benefits



| | | | | | | |
|--------------------|---|----------------------------------|---|---------------------------------|---|--------------------------|
| PIA | = | 90% | + | 32% | + | 15% |
| | | of the first \$1,024* of AIME | | of the next \$5,148* of AIME | | of AIME over \$6,172* |
| WEP PIA | = | 40% | + | 32% | + | 15% |
| | | of the first \$1,024* of AIME | | of the next \$5,148* of AIME | | of AIME over \$6,172* |

* Changed annually by changes in the national indexing average wage. Numbers for 2022.

Source: Social Security Administration (www.ssa.gov). **Covered:** Worked or works in a job that contributes to Social Security taxes. **Not covered:** Worked or works for a state or government agency that contributes to a pension instead of Social Security taxes.



Restricted Application

Married couple with large difference in benefits

Jordan

YOB: 1953

PIA: \$2,200

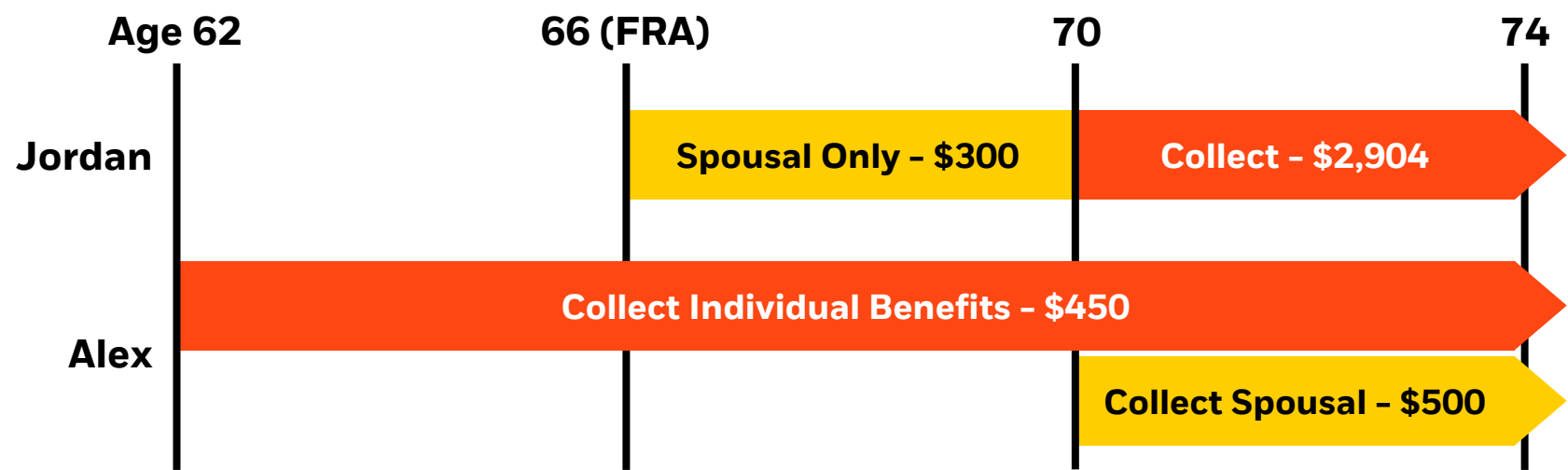
Lives through age 85

Alex

YOB: 1957

PIA: \$600

Lives through age 92



\$1,159,296

\$906,780

Both FRA

\$1,029,600

Both Age 70

\$1,099,296

Strategy

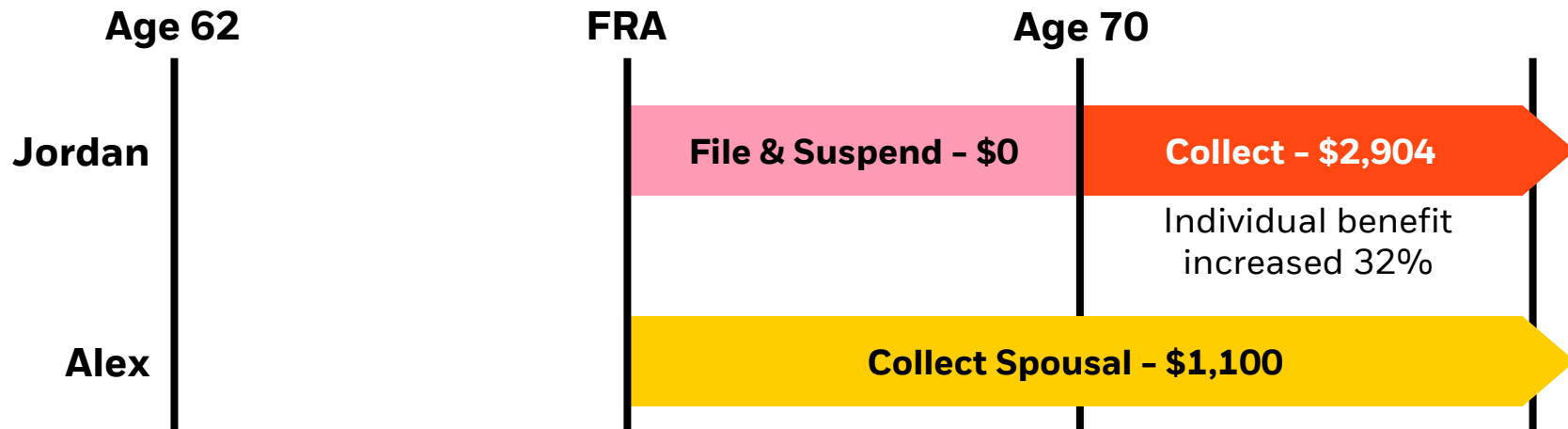
\$1,041,504



Spousal benefits with file & suspend

Jordan
PIA: \$2,200

Alex
PIA: \$0



Source: Social Security Administration (www.ssa.gov). *If request to suspend is made before April 30, 2016.



Important notes regarding collection strategies

File & Suspend

Voluntary suspension request made after April 30, 2016:

- During suspension, any spousal or dependent child benefit will also be turned off
- No retroactive payments of suspended benefits
- The filer won't be able to claim any other benefit while their benefit is suspended

Restricted Application

- Still available if born on or before January 1, 1954
- If born after January 1, 1954, deemed filing will apply regardless of age



2021 OASDI Trustee Report Highlights

\$1.118 trillion in income

\$1.107 trillion in expenses

\$2.908 trillion balance in OASDI Trust Fund

65 million people receiving benefits

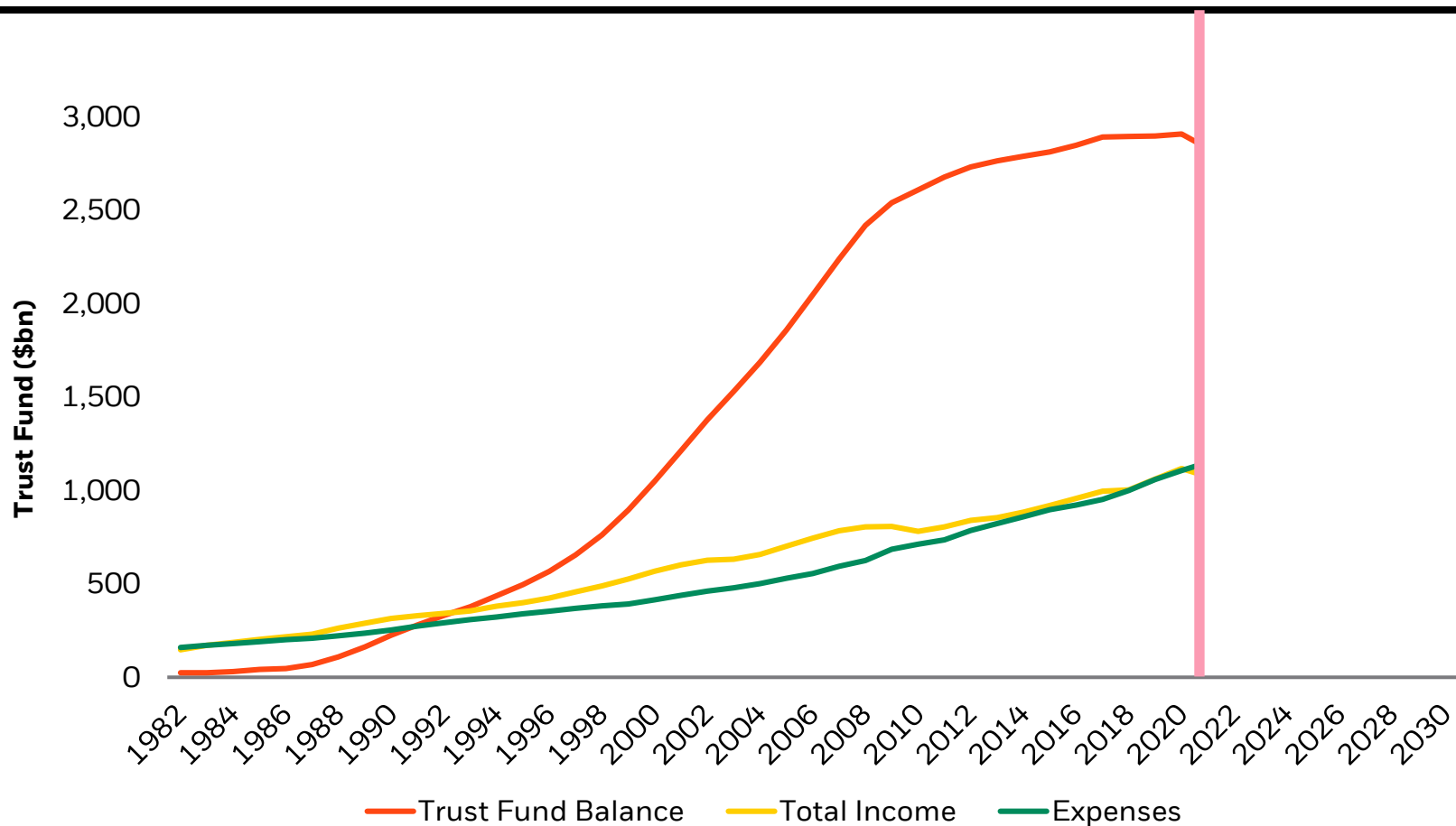
175 million people contributing into Social Security

Source: Social Security Administration (www.ssa.gov).



Solvency of Social Security

2021 OASDI Trustees Report Table VI.G8

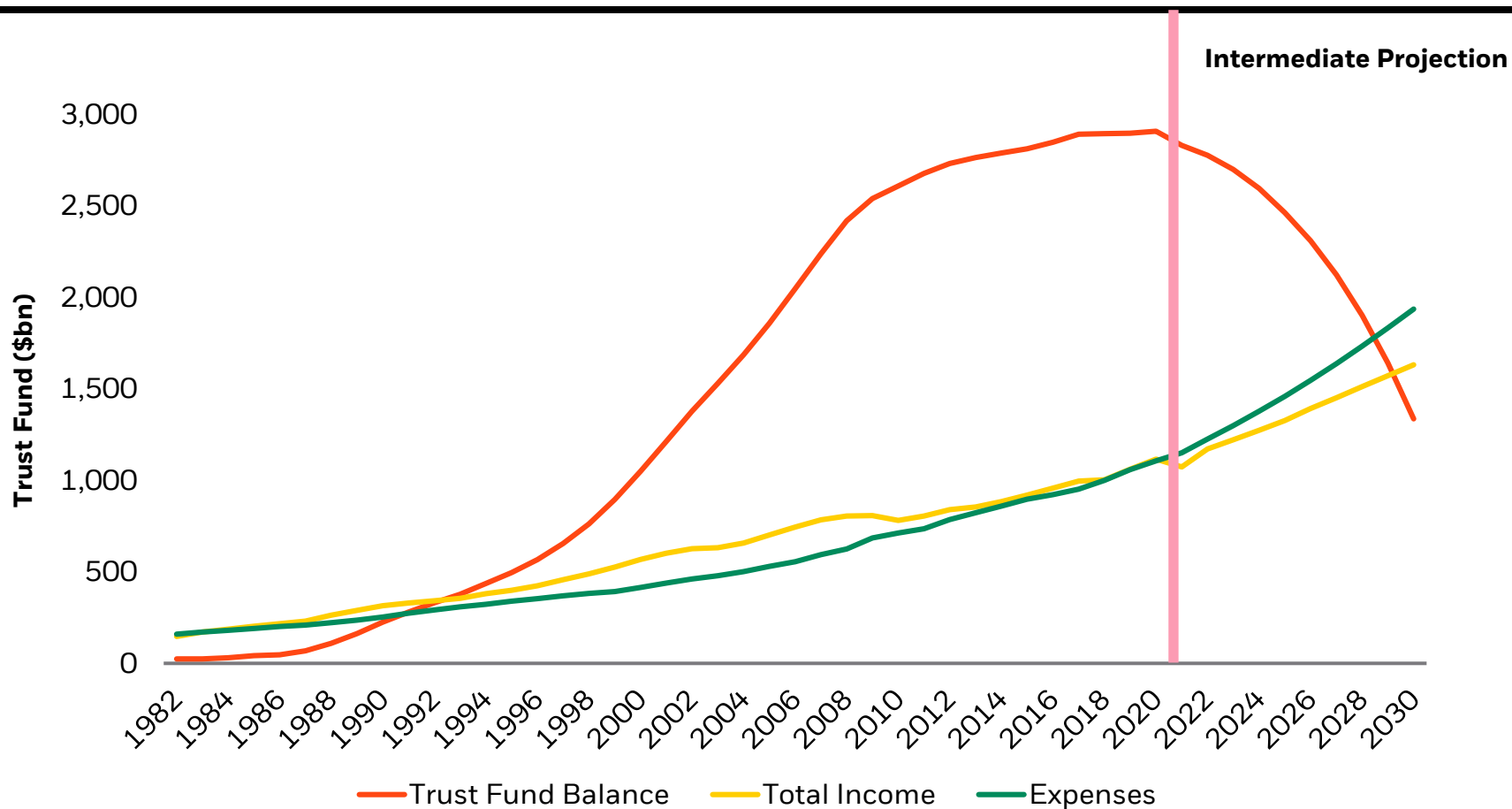


Source: Social Security Administration (www.ssa.gov).



Solvency of Social Security

2021 OASDI Trustees Report Table VI.G8

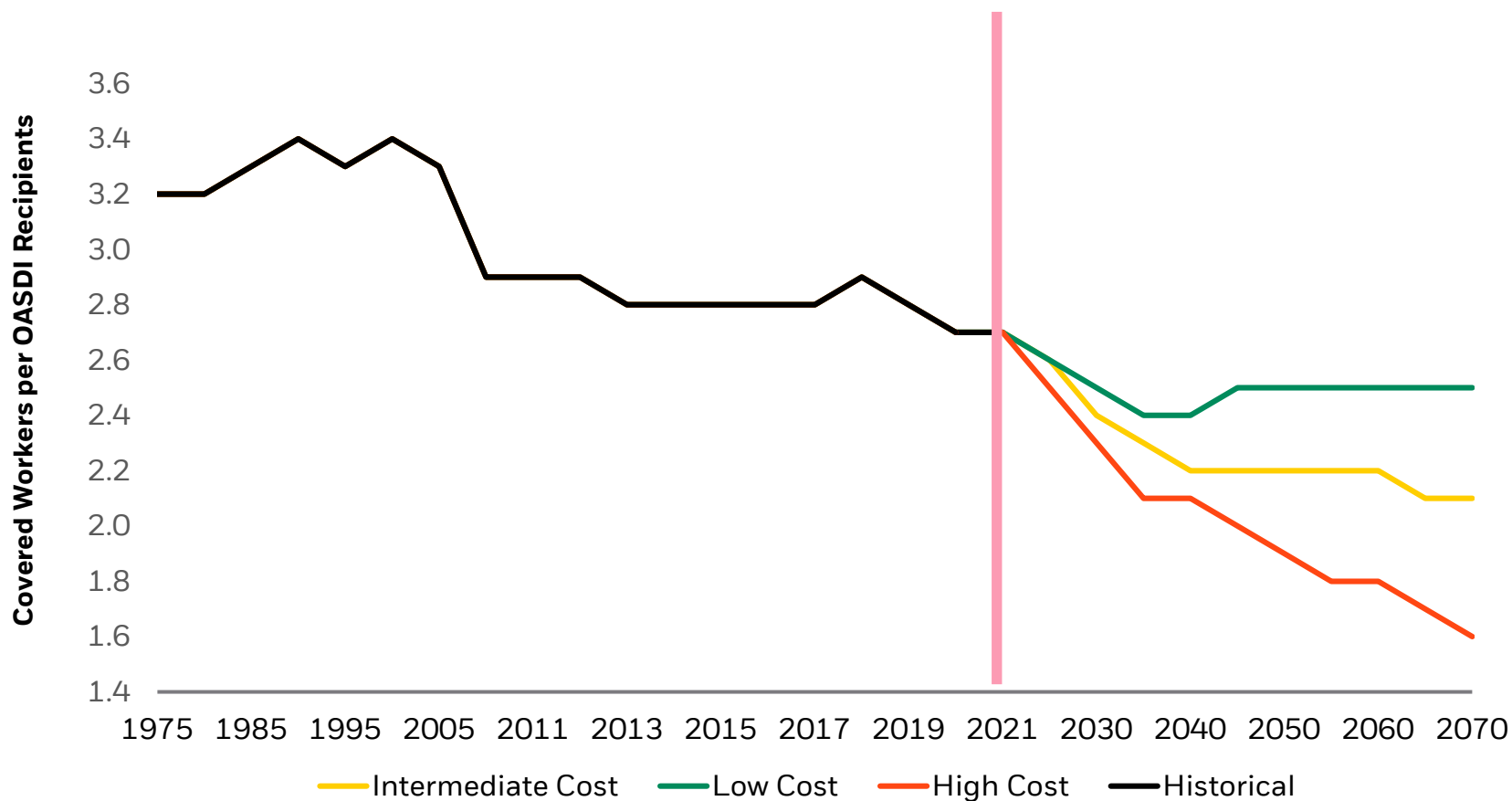


Source: Social Security Administration (www.ssa.gov).



Solvency of Social Security

2021 OASDI Trustees Report Table IV.B3



Source: Social Security Administration (www.ssa.gov).