



Federal law requires that at least one participant benefit statement per year include information that illustrates your account balance as a stream of estimated lifetime payments at retirement. Estimated monthly payments are for illustrative purposes only; they are not a guarantee.

Calculation assumptions

The regulation requires plan administrators use the following assumptions to calculate estimated monthly payment illustrations:

Assumed commencement date	The last day of the benefit statement period
Assumed age	<ul style="list-style-type: none"> • Age 67, which is the Social Security full retirement age for most workers • If you are older than 67, your actual age is used
Assumed spousal and survivor benefits	<p>Single life annuity: Pays a fixed monthly amount for the rest of your life. Following your death, no further payments are made.</p> <p>Qualified joint and survivor annuity: You are assumed to have a spouse of equal age, regardless of your marital status or the actual age of any spouse. Pays a fixed monthly amount for the rest of your life. Following your death, the same fixed monthly amount is paid to your surviving spouse for the rest of their life.</p>
Assumed interest rate	The 10-year constant maturity U.S. Treasury rate (10-year CMT) as of the first business day of the last month of the benefit statement period
Assumed mortality	An estimate of how long you are expected to live; estimated using the gender-neutral mortality table in section 417(e)(3)(B) of the Internal Revenue Code

Calculation example

Rich is 41 and single. His account balance on December 31, 2021, is \$125,000. The 10-year CMT rate as of December 1, 2021, is 1.83%. The amortization factors in this example are based on the above calculation assumptions.

Current account balance	\$125,000
Single life annuity	<p>Single life annuity amortization factor: 16.15</p> <p>$\\$125,000 / 16.15 = \\$7,740$ per year</p> <p>$\\$7,740 / 12 = \\645 per month</p> <p>Rich's benefit statement on December 31, 2021, will show estimated monthly payments of \$645 starting at retirement.</p>
Qualified joint and survivor annuity	<p>Qualified joint and survivor annuity amortization factor: 19.54</p> <p>\$533 per month starting at retirement</p> <p>\$533 per month paid to surviving spouse</p> <p>$\\$125,000 / 19.54 = \\$6,397$ per year</p> <p>$\\$6,397 / 12 = \\533 per month</p> <p>Rich's benefit statement on December 31, 2021, will show estimated monthly payments of \$533 starting at retirement and \$533 paid to his surviving spouse.</p>

Additional information

For more detailed information, visit the Department of Labor (DOL) website at www.dol.gov/agencies/ebsa/key-topics/retirement/lifetime-income.