## 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 | - Age 67, which is the Social Security full retirement age for most workers <br> - If you are older than 67, your actual age is used |
| Assumed spousal and |  |
| survivor benefits | Single life annuity: Pays a fixed monthly amount for the rest of your life. Following your death, no further <br> payments are made. <br> Qualified joint and survivor annuity: You are assumed to have a spouse of equal age, regardless of <br> your marital status or the actual age of any spouse. Pays a fixed monthly amount for the rest of your life. <br> Following your death, the same fixed monthly amount is paid to your surviving spouse for the rest of <br> their life. |
| Assumed interest rate | The 10-year constant maturity U.S. Treasury rate (10-year CMT) as of the first business day of the last <br> 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 <br> 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 | Single life annuity amortization factor: 16.15 |
|  | $\$ 125,000 / 16.15=\$ 7,740$ per year |
|  | $\$ 7,740 / 12=\$ 645$ per month |
|  | Rich's benefit statement on December 31, 2021, will show estimated monthly payments of |
|  | $\$ 645$ starting at retirement. |
| Qualified joint and | Qualified joint and survivor annuity amortization factor: 19.54 |
| survivor annuity | $\$ 533$ per month starting at retirement |
|  | $\$ 533$ per month paid to surviving spouse |
|  | $\$ 125,000 / 19.54=\$ 6,397$ per year |
|  | $\$ 6,397 / 12=\$ 533$ per month |
|  | 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. |
|  |  |

## Additional information

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

