Transamerica℠

A bridge to retirement

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Many Americans have to come rely on Social Security benefits as a key part of their retirement planning. When the Social Security Act was passed into law in 1935, the original retirement age when full benefits could be received was 65.[1] However, as more Americans continued living longer, the full retirement age (FRA) was changed to 67 in 1983 for those born in 1960 or later. Today, you are eligible to receive reduced benefits as early as 62, and you have the ability to delay receiving benefits until age 70 for a higher amount. Many people would like to retire before their FRA, but don't want to receive reduced Social Security benefits permanently.

Delaying Social Security benefits

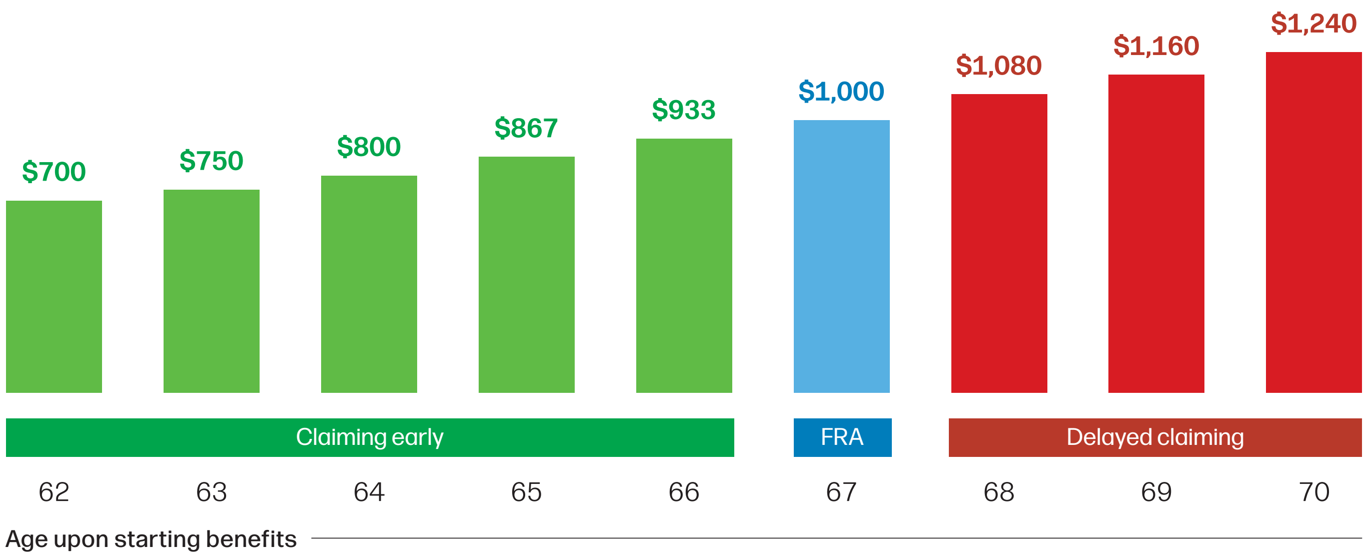
One way you can increase your Social Security income is through a delayed claiming strategy. How does "delayed claiming" work? Instead of beginning Social Security at your FRA or as early as age 62, you may want to consider delaying benefits where you start taking benefits after your FRA.

If you delay receiving benefits past your FRA, your annual benefit will increase by 8% each year, up until a maximum of 24% for those born in 1960 or later. If your FRA is 67 and you decide to delay claiming benefits until age 70, your annual benefit will permanently be 24% higher than starting at your FRA.

Below is an example that shows how monthly benefit amounts can vary based on the age you start collecting benefits. Your FRA may differ based on your year of birth.

Social Security benefits

The impact of when you claim



[1] The Social Security Act provides benefits to retirees based on their earnings history based on the taxes they paid throughout their work career, depending on the amount they earned.

The benefit of delaying Social Security:

Hypothetical case study

Michael, age 40, is an electrical engineer who earns $110,000 per year. He has been contributing the maximum to his company's qualified retirement plan with the goal of retiring early before he turns age 65. In addition to funds from his qualified retirement plan, Michael expects to rely on his Social Security retirement benefits to maintain his standard of living in retirement. While Michael expects to retire early, he is concerned that doing so could result in him permanently receiving much lower Social Security retirement benefits.

Below is Michael's estimated future benefit amount that will be determined by what age he elects to begin receiving benefits. If Michael retires at age 62, he is expected to receive $4,680 a month. If he delays taking Social Security benefits to age 70, his projected monthly benefit is $8,290 a month. If Michael lives to age 90, his cumulative Social Security benefits are projected to be $2,089,188, a 28% increase compared to his cumulative benefits if he starts receiving them at age 62.

Estimated benefit amount by Social Security starting age[1,2]

Attained Age	Monthly Income	Annual Income	Total Income at Age 90	Lifetime Increase by Delaying
62	**4,680**	**56,161**	**1,628,668**	-
63	5,014	60,172	1,684,829	3.4%
64	5,349	64,184	1,732,967	6.4%
65	5,794	69,532	1,807,834	11.0%
66	6,240	74,881	1,872,025	14.9%
67	6,686	80,230	1,925,519	18.2%
68	7,221	86,648	1,992,912	22.4%
69	7,756	93,067	2,047,468	25.7%
70	**8,290**	**99,485**	**2,089,188**	**28.3%**

[1] The calculations use the 2025 FICA income limit of $176,100 with an annual maximum Social Security benefit of $48,216 ($4,018 per month) for a single person.

[2] Social Security Benefit projections assume an inflation rate of 3% for future salary increases and the FICA income limit. Actual benefits will be higher or lower based on your work history and the complete compensation rules used by Social Security.

Using life insurance to complement Social Security

Michael wants to retire early, but would like another source of supplemental income to help meet his retirement expenses until he starts Social Security benefits. That's where permanent cash value life insurance like *Transamerica Financial Foundation® IUL II* (FFIUL II) may help. FFIUL II offers death benefit protection, cash value growth potential, and tax-free access to policy cash values. FFIUL II may help Michael bridge the gap between retirement and starting Social Security or serve as supplemental income if Social Security benefits are reduced in the future.

Life insurance coverage on Michael

Michael would like death benefit protection to provide for his family while also having a source of potential supplemental tax-free income to support his expected lifestyle needs until he elects to start receiving Social Security benefits. He purchases a **$400,000** FFIUL II policy with an annual premium of **$12,000** payable to age 61.[1]

Starting at age 62, Michael retires and elects to take monthly withdrawals to basis and policy loans of $4,680 per month through age 69 to cover what he otherwise would have received with Social Security. This allows Michael to maintain his standard of living while retiring early. At age 70, Michael elects to start receiving his Social Security benefits, which are projected to be $8,290 per month ($99,485 per year). By using FFIUL II, Michael gains death benefit protection and supplemental income[2] needed to help him retire early while maximizing his Social Security benefits in the future.

Insured	Male, Age 40
Risk Class	Preferred Elite
Face Amount	$400,000
Annual Premium	$12,000 annual premium payable to age 61
Index Account	Global Index Account with 7.25% assumed growth rate
Income Solve	Ages 62-69: withdrawals to basis, then fixed loans
Death Benefit Option	Ages 40-69: increasing death benefit option; age 70+: level death benefit option

[1] This hypothetical example assumes a male, age 40, preferred elite risk class, $12,000 premium paid to age 61, $400,000 face amount, assuming a 7.25% index growth rate in the Global Index Account, increasing death benefit option switching to level in year 26, withdrawals to basis switching to loans during ages 62-69.

[2] Loans, withdrawals, and death benefit accelerations will reduce the policy value and the death benefit and may increase lapse risk. Policy loans are tax-free provided the policy remains in force. If the policy is surrendered or lapses, the amount of the policy loan will be considered a distribution from the policy and will be taxable to the extent that such loan plus other distributions at that time exceed the policy basis.

Social Security bridge:

Overview

Retire early and claim Social Security benefits at age 62

Social Security Benefits	
Projected taxable annual benefit amount	$56,161
Total taxable benefit amount from ages 62-69	**$449,288**
Total taxable benefit from ages 62-90	**$1,628,668**

Retire early with a bridge to Social Security

Transamerica FFIUL II (Non-Guaranteed Values): Bridge to Social Security (Ages 62-69)[1]	
Annual tax-free income from ages 62-69[2]	$56,161
Total tax-free income from ages 62-69[2]	**$449,288**
Death benefit at age 90	+ $454,084
Total premiums paid:	- $252,000
Tax-free total policy benefit (if death occurs at age 90)	**= $651,372**
Start Social Security Benefits at Age 70	
Projected annual benefit amount	$99,485
Total benefit amount from ages 70-90	**+ $2,089,188**
Combined Benefit Amount at Age 90	**= $2,740,559**

The example shown is derived from a complete hypothetical illustration that assumes non-guaranteed elements will continue for all years. This is not likely to occur and actual results will be more or less favorable. All non-guaranteed elements are subject to change by the company. Keep in mind that the purpose of hypothetical illustrations is to show how a policy might work under different scenarios, including minimum interest rates at maximum guaranteed charges. Illustrations may not be used to predict or project future policy values. Prospective policy owners should refer to a complete, personalized sales illustration for guaranteed elements and other important information as well as the consumer brochure for the *Transamerica Financial Foundation IUL® II*. **At a 0% index growth rate, guaranteed charges and maximum index loans starting in policy year 16, this policy lapses in year 24 with no cash value.**

[1] This hypothetical example assumes a male, age 40, preferred elite risk class, $12,000 premium paid to age 61, $400,000 face amount, assuming a 7.25% index growth rate in the Global Index Account, increasing death benefit option switching to level in year 26, withdrawals to basis switching to loans during ages 62-69.

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