A GUIDE FOR MAKING INFORMED DECISIONS

SOCIAL SECURITY

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1004950-00004-00 ORD208386 Ed. 08/2019

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SOCIAL SECURITY

What you need to know

Social Security was created in 1935 to help Americans supplement their retirement income. While almost everyone is generally familiar with Social Security, the details can be complex and easily lead to confusion.

As a significant portion of the average retiree's income comes from Social Security, it's critical to fully understand how it works. This guide provides a general overview of Social Security, explains the options that may be available to you, and answers the questions that people most commonly ask. Equipped with an understanding of the rules and your options, you can make more informed decisions and determine your best strategy for getting the most from Social Security.

Please note that the information in this brochure is general in nature and not individualized for your particular situation. Working with your financial professional can help you decide how to best fit Social Security into your financial plan.

Information is based on current law, which can change at any time.

calculating your retirement benefits

What is my full retirement age?[1]

Full retirement age is the age at which you can begin to collect full Social Security retirement benefits without any reductions. This age is determined by the year you were born.

YEAR BORN	FULL RETIREMENT AGE
1943 -1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and after	67

Can I start taking my Social Security retirement benefits before I reach my full retirement age?[2]

Yes, you can receive Social Security retirement benefits as early as age 62.

- If you begin to receive benefits before you reach full retirement age, your benefits will be permanently reduced. The amount of the reduction depends on the age when you begin receiving benefits and your full retirement age.
- The amount you receive when you first begin taking benefits sets the base for the retirement benefits you will receive for the rest of your life. You will also receive any annual cost-of-living adjustments, and depending on your work history, you may receive higher benefits if you continue to work.

YOU CAN RECEIVE SOCIAL SECURITY RETIREMENT BENEFITS **AS EARLY AS AGE 62**.

EARLY SOCIAL SECURITY BENEFITS (assuming a full retirement age of **66** and a $24,000 annual benefit)

AGE	PERCENTAGE OF FULL RETIREMENT BENEFIT	ANNUAL BENEFIT
62	75.0%	$18,000
63	80.0%	$19,200
64	86.7%	$20,798
65	93.3%	$22,399
66	100.0%	$24,000

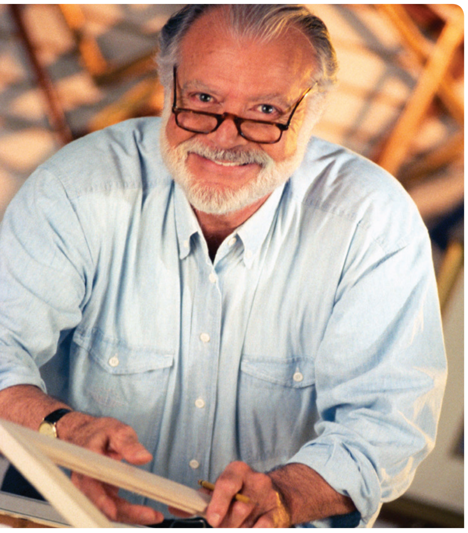
EARLY SOCIAL SECURITY BENEFITS (assuming a full retirement age of **67** and a $24,000 annual benefit)

AGE	PERCENTAGE OF FULL RETIREMENT BENEFIT	ANNUAL BENEFIT
62	70.0%	$16,800
63	75.0%	$18,000
64	80.0%	$19,200
65	86.7%	$20,798
66	93.3%	$22,399
67	100.0%	$24,000

[1] The 2018 Annual Report of the Board of Trustees of the Federal Old Age and Survivors Insurance and Federal Disability Insurance Trust Funds; Table V.C3

[2] Social Security Administration- Retirement Planner: Benefits by Year of Birth (https:/www.ssa.gov/planners/retire/agereduction.html), accessed January 2019

calculating your retirement benefits



EXAMPLE:

Phillip, age 62, is still working and decides to take his Social Security benefits early; therefore he will receive a reduced benefit of $18,000 (a 25% reduction).

Phillip also continues to work and earns $25,000 annually. His earnings put him $7,360 over the earnings threshold, which will cause him to lose $3,680 of his benefits. His annual benefit becomes $14,320.

$18,000 benefit - $3,680 reduction = $14,320

When Phillip reaches his full retirement age at 66 and 4 months, the reduction to his benefit as a result of his wages will end, even if he is still working. However, the reduction to his benefit as a result of his decision to take benefits early will be permanent.

This is a hypothetical example of the Social Security benefits that could be received from the government and is for illustrative purposes only.

What happens if I take my Social Security benefits while I am still working?[1]

It depends on your age.

- If you are at or above your full retirement age, working will not reduce your Social Security benefit.
- If you are under your full retirement age, $1 of your benefit is reduced for every $2 of wages you earn above an annual limit of $17,640 in 2019.
- In the year in which you reach your full retirement age, from January 1st until the last day of the month prior to the month of your birthday, $1 of your benefit is reduced for every $3 you earn above an annual limit of $46,920 in 2019.
- Benefit reductions do not continue past full retirement age. Your benefit will be recalculated so that you recover the previously withheld amounts over your remaining life expectancy.

These limits do not include withdrawals from retirement accounts, dividends, interest, or other unearned income. The reduction of your retirement benefit is based only on your wages – it does not include your spouse's wages. If your spouse is under full retirement age and working, any benefits he or she is receiving will be reduced.

What happens if I delay benefits until after I reach full retirement age?[2]

From your full retirement age until you reach age 70, for every year you delay taking your Social Security benefits, your benefits will increase by 8%.

After age 70, the 8% increase does not continue. As a result, there is no incentive to delay taking benefits after age 70.

Assuming a full retirement age of **66** and a $24,000 annual benefit

AGE	PERCENTAGE OF FULL RETIREMENT BENEFIT	ANNUAL BENEFIT
66	100%	$24,000
67	108%	$25,920
68	116%	$27,840
69	124%	$29,760
70	132%	$31,680

Assuming a full retirement age of **67** and a $24,000 annual benefit

AGE	PERCENTAGE OF FULL RETIREMENT BENEFIT	ANNUAL BENEFIT
67	100%	$24,000
68	108%	$25,920
69	116%	$27,840
70	124%	$29,760

[1] Social Security Fact Sheet: *2019 Social Security Changes*

[2] The 2018 Annual Report of Board of Trustees of the Federal Old Age and Survivors Insurance and Federal Disability Insurance Trust Funds: Table V.C3

Are my Social Security benefits taxable?[1]

Maybe, depending on the amount of other income you received in the year.

If you are single, determine if your benefits are taxable by adding the following items together:

ADJUSTED GROSS INCOME
\+ NONTAXABLE INTEREST
\+ ½ YOUR SOCIAL SECURITY BENEFITS
= **PROVISIONAL INCOME**

If provisional income is:

Between $25,000 and $34,000,
up to 50% of your Social Security benefit is taxable.

Above $34,000,
up to 85% of your Social Security benefit is taxable.

If you are married and filing a joint tax return, determine if your benefits are taxable by adding the following items together:

ADJUSTED GROSS INCOME
\+ NONTAXABLE INTEREST
\+ ½ OF COMBINED SOCIAL SECURITY BENEFITS
= **PROVISIONAL INCOME**

If provisional income is:

Between $32,000 and $44,000,
up to 50% of you and your spouse's Social Security benefit is taxable.

Above $44,000,
up to 85% of you and your spouse's Social Security benefit is taxable.

Will I get a Cost-of-Living Adjustment (COLA) every year?[2]

Not necessarily. To determine a COLA, in the third quarter of each year, the Social Security Administration looks at what percentage increase an economic indicator (the CPI-W*) has had since the third quarter of the previous year. Whatever percentage that indicator has increased will be applied to Social Security benefits for the next calendar year. If there is no increase, there can be no COLA. However, if there is a percentage decrease in that indicator, there is no subsequent reduction in Social Security benefits.

DID YOU KNOW?

Over the past 40 years, there have been only three years with no cost-of-living adjustment, all of them occurring within this decade.

YEAR	COST-OF-LIVING ADJUSTMENT
2009	5.80%
2010	0.00%
2011	0.00%
2012	3.60%
2013	1.70%
2014	1.50%
2015	1.70%
2016	0.00%
2017	0.30%
2018	2.00%
2019	2.80%

[1] "Retirement Benefits," SSA Publication No. 05-10035, ICN 457500, January 2019

[2] Social Security Administration, Cost-of-Living Adjustment (COLA) Information for 2019 (https://www.ssa.gov/news/cola/), accessed March 2019

*The Consumer Price Index for Urban Wage Earners and Clerical Workers is an index of prices of goods and services typically purchased by urban wage earners and clerical workers. By law, it is the official measure used by the Social Security Administration to annually adjust benefits paid to Social Security beneficiaries and Supplemental Security Income recipients.

calculating spousal and survivor benefits

How do I calculate my spouse's benefit?[1]

When your spouse applies for Social Security benefits, he or she will be eligible for the higher of two different amounts:

- His or her own benefit

OR

- Up to 50% of your benefit, assuming you have applied for Social Security benefits.

If your spouse is under full retirement age and their Social Security benefit based on their own work history is more than the spousal benefit, your spouse will not be eligible for a spousal benefit.

At what age can my spouse begin collecting a spousal benefit?[2]

For your spouse to be eligible for Social Security spousal benefits, you must have applied for Social Security benefits and your spouse must be at least 62.

- If your spouse begins to collect spousal benefits before he or she has reached full retirement age, he or she will not be eligible for the maximum 50% spousal benefit.

Assuming a full retirement age of **66** and a maximum $12,000 spousal benefit

AGE	PERCENTAGE OF SPOUSE'S FULL RETIREMENT BENEFIT	ANNUAL BENEFIT
62	35%	$8,400
63	37.5%	$9,000
64	41.7%	$10,008
65	45.8%	$10,992
66	50%	$12,000

Assuming a full retirement age of **67** and a maximum $12,000 spousal benefit

AGE	PERCENTAGE OF SPOUSE'S FULL RETIREMENT BENEFIT	ANNUAL BENEFIT
62	32.5%	$7,800
63	35%	$8,400
64	37.5%	$9,000
65	41.7%	$10,008
66	45.8%	$10,992
67	50%	$12,000

EXAMPLE #1:

Tom's Social Security benefit is $24,000 annually. Betty's Social Security benefit is $8,000 annually.

At full retirement age, Betty is entitled to $12,000 annually (her $8,000 benefit + $4,000 spousal benefit to increase her amount to 50% of Tom's benefit).

EXAMPLE #2:

Tom's Social Security benefit is $24,000 annually. Betty's Social Security benefit is $16,000 annually.

Since Betty's benefit is more than 50% of Tom's, she is not eligible for a spousal benefit.

This is a hypothetical example of the Social Security benefits that could be received from the government and is for illustrative purposes only.

[1] "Retirement Benefits," SSA Publication No. 05-10035, ICN 457500, January 2019

[2] Social Security Administration, Benefits for Spouses (https://www.ssa.gov/oact/quickcalc/spouse.html), accessed January 2019

How will my spouse's survivor benefits work?[1]

Generally, if a surviving spouse is over the age of 60, he or she can begin to receive survivor benefits.

- If the surviving spouse is at full retirement age, his or her benefit is generally equal to what the decedent's Social Security benefit was, or would have been at the time of his or her death. However, if the deceased spouse dies before full retirement age and had not yet begun receiving retirement benefits, the surviving spouse is entitled to a benefit equal to 100% of the deceased spouse's full retirement benefit.
- If the surviving spouse is under full retirement age, the amount of the survivor benefit is reduced.

Assuming a full retirement age of **66** and a deceased spouse benefit of $24,000[2]

AGE	PERCENTAGE OF DECEASED SPOUSE'S BENEFITS	ANNUAL BENEFIT
60	71.5%	$17,160
61	76.3%	$18,312
62	81.0%	$19,440
63	85.8%	$20,592
64	90.5%	$21,720
65	95.3%	$22,872
66	100.0%	$24,000

Assuming a full retirement age of **67** and a deceased spouse benefit of $24,000[2]

AGE	PERCENTAGE OF DECEASED SPOUSE'S BENEFITS	ANNUAL BENEFIT
60	71.5%	$17,160
61	75.6%	$18,144
62	79.6%	$19,104
63	83.7%	$20,088
64	87.8%	$21,072
65	91.9%	$22,056
66	95.9%	$23,016
67	100.0%	$24,000

There are a few exceptions where survivor benefits can begin under age 60, including:

- A surviving spouse caring for children under the age of 16 or a disabled child receives 75% of the deceased spouse's benefit.
- A surviving spouse who is disabled can collect a survivor benefit as early as age 50, and receives 71.5% of the deceased spouse's benefit.

[1] "Survivor Benefits," SSA Publication No. 05-10084, ICN 468540, January 2019

[2] Social Security Program Operations Manual System (POMS) RS 00615.301(B)(2), accessed January 2019

understanding divorced spouse and survivor benefits

If you remarried before the age of 60 and are still married, you cannot collect survivor benefits from a former spouse.

If you remarried before the age of 60 but that marriage has now ended, you may collect survivor benefits from a deceased ex-spouse.

If I am divorced, can I still claim retirement benefits based on my ex-spouse's Social Security benefits?[1]

Depending on the length of your marriage and whether you have remarried, you may be able to collect benefits based on your divorced spouse's Social Security benefits. Collecting these benefits has no effect on your former spouse's benefits.

In order to collect benefits from a divorced spouse:

- You and your ex-spouse must both be over the age of 62
- Your marriage must have lasted 10 years or more
- You must have not remarried

If your divorced spouse has not yet applied for benefits, you can still receive benefits based on his or her record if you have been divorced for more than two years.

If I am divorced, can I still claim survivor benefits based on my ex-spouse's Social Security benefits?[1]

If your divorced spouse has passed away, you may be eligible to collect survivor benefits as a widow/widower if:

- You are over the age of 60
- The marriage lasted more than 10 years
- You are not now remarried

OR

- You are over the age of 60
- The previous marriage lasted 10 years or more
- You have remarried, but after the age of 60

[1] "What Every Woman Should Know", SSA Publication No. 05-10127, ICN 480067, June 2017

Medicare and Social Security

At what age will I become eligible for Medicare?[1]

Most Americans will become eligible for Medicare at age 65. (There are some exceptions for people who are disabled or who have certain conditions.) If you are already receiving Social Security benefits at age 65, you will automatically be enrolled in Medicare. To enroll in Medicare, you must sign up during a seven-month period that spans the three months prior to the month of your 65th birthday, the month of your birthday, and the three months following your birthday month. For example, if you are turning 65 in August, you have a 7-month window from May to November to sign up.

- If you sign up for Medicare during this period, you will generally pay no premium for Medicare Part A and the standard premium for Medicare Part B.
- If you sign up for Medicare Part B after this period, you will pay the standard premium and potentially a 10% penalty for life.

If you are covered by a group health plan based on current employment when you reach the Medicare eligibility period, you are not required to enroll in Medicare. When the employment ends or the group health coverage ends, you will have eight months to enroll in Medicare without any premium penalties.

THE FOUR PARTS OF MEDICARE

- Medicare Part A provides hospital insurance coverage
- Medicare Part B covers doctors' services, outpatient hospital care, and other medical services
- Medicare Part C, also known as Medicare Advantage, covers the same services as Parts A and B through private health insurance plans
- Medicare Part D provides prescription drug coverage

Do my Medicare premiums reduce my Social Security benefit?[1]

It is possible that your Social Security benefits check will be lower than you had expected because of the deductions for Medicare premiums.

- When you sign up for Medicare and you have already started to receive Social Security benefits, the premiums for Medicare Part B will automatically be deducted from your monthly Social Security check.
- You may also elect to have your Part D premiums deducted from your monthly Social Security check.

Other Medicare premiums, or if you have enrolled in Medicare but have not yet begun to receive Social Security, will be paid out of pocket.

How is my Medicare Part B premium calculated?[2]

Your Medicare Part B premium for a given year is determined based on your reported income from two years prior. If your income exceeds a defined threshold, your premium will be increased. If your income in 2017 is less than the threshold of $85,000 for a single filer or $170,000 for a married couple filing jointly, the monthly premium per person in 2019 will be $135.50.*

See the table below for the 2019 premiums for those with higher income levels in 2017.

IF YOUR INCOME IN 2017 WAS		YOUR 2019 MONTHLY PART B PREMIUM IS[1]
FILE INDIVIDUAL TAX RETURN	FILE JOINT TAX RETURN	
$85,000 or less	$170,000 or less	$135.50
above $85,000; up to $107,000	above $170,000; up to $214,000	$189.60
above $107,000; up to $133,500	above $214,000; up to $267,000	$270.90
above $133,500 up to $160,000	above $267,000; up to $320,000	$352.20
above $160,000; up to $500,000	above $320,000; up to $749,999	$433.40
$500,000 or more	$750,000 or more	$460.50

[1] Centers for Medicare & Medicaid Services, 2019 Medicare Parts A & B Premiums and Deductibles, October 12, 2018

[2] U.S. Dept. of Health and Human Services, Annual Release of Part D National Average Bid Amount and Other Part C & D Bid Information; July 31, 2018

* Almost half of Part B enrollees whose premiums were held harmless in 2018 will pay the full $135.50 in 2019

the restricted application strategy

The Bipartisan Budget Act of 2015 dramatically changed the landscape of Social Security planning.

The law directly impacted two powerful claiming strategies:

(1) File and Suspend, which is no longer available; and

(2) Restricted Application, which remains available to anyone who reached the age of 62 before December 31, 2015.

How does the Restricted Application strategy work?

The Restricted Application strategy could allow your spouse to claim a spousal benefit while letting his or her own benefit grow. If your spouse is still working and you decide to retire, you may want to consider using this strategy if:

- Both you and your spouse are eligible for a Social Security benefit based on your own work histories, and one spouse has filed for his or her Social Security benefits.
- At least one spouse has reached full retirement age, and that spouse wants to delay his or her own Social Security benefits to take advantage of the 8% delayed retirement credit.

Note: You cannot file a restricted application until you have reached full retirement age.

RESTRICTED APPLICATION EXAMPLE:

Adam has reached his full retirement age of 66 and is eligible for a $2,000 a month ($24,000 a year) benefit, but he is not ready to start his Social Security payments. Meghan also has reached her full retirement age of 66 and decides to begin taking her Social Security benefits which are $1,500 per month or $18,000 per year. By using the Restricted Application strategy, when Meghan starts taking her Social Security benefits, Adam can file for Social Security and request only his spousal benefit. Meghan files for her Social Security benefits and receives $1,500 per month.

Adam then files a restricted application for spousal benefits only – making him eligible for $750 per month. Since Adam is not receiving his own benefits, from age 66 until age 70, he will be eligible to receive the 8% per year delayed retirement credit, increasing his own Social Security benefits.

This is a hypothetical example of the Social Security benefits that could be received from the government and is for illustrative purposes only. As the specifics for your situation may be different, please go to ssa.gov for more information.

SOME OF THE ADVANTAGES OF THIS STRATEGY:

- By having Adam receive a spousal benefit from ages 66-70, Adam and Meghan have increased their cash flow.
- This strategy allows them to receive $36,000 from Social Security over those four years that Adam would not have otherwise received.
- For each year Adam delays taking his own benefits past age 66 to age 70, his benefit will increase by 8%.
  - At age 66, his benefit would have been $2,000 per month / $24,000 per year.
  - At age 70, his benefit will be 32% larger: $2,640 per month / $31,680 per year.

By waiting until age 70 to begin his own benefits, not only will Adam's benefit be larger, but at his passing, Meghan's survivor benefit will increase as well. It will equal what Adam was receiving: $2,640 per month / $31,680 per year.

strategies for widows and widowers

If you are a surviving spouse over the age of 60, you are entitled to receive survivor benefits. However, like many people, you may not realize there are strategies that can help you to get the most from your benefits. If you are entitled to both individual benefits and survivor benefits, it may be worthwhile to explore collecting one benefit first and then switching to the other at a later date. This ability to switch between benefits can really make a significant difference in the total amount you receive from Social Security.

Strategy One

When individual benefits at age 70 are larger than full survivor benefits -
You can collect the survivor benefit first, and then switch to individual benefits.

In this example, you could benefit from collecting the reduced survivor benefit of $20,592 per year at age 60, and then switching to your own individual benefit of $31,680 per year at age 70. Receiving the reduced survivor benefit from age 60 to age 70 will not reduce the individual benefits available at age 70.

INDIVIDUAL BENEFITS		SURVIVOR BENEFITS	
AT AGE 62	$18,000/year	AT AGE 60	**$20,592/year**
AT AGE 66	$24,000/year	AT AGE 66	$28,800/year
AT AGE 70	**$31,680/year**	AT AGE 70	$28,800/year

Above example assumes a full retirement age of 66, individual benefits of $24,000/year at full retirement age, and survivor benefits of $28,800/year at full retirement age.

Strategy Two

When full survivor benefits are larger than individual benefits at age 70 -
You can collect the individual benefit first, and then switch to survivor benefits.

In this example, you could benefit from collecting your own reduced individual benefit of $13,500 per year at age 62, and then switching to the survivor benefit of $28,800 per year at age 66. Receiving the reduced individual benefit from age 62 to age 66 will not reduce the survivor benefits available at age 66.

INDIVIDUAL BENEFITS		SURVIVOR BENEFITS	
AT AGE 62	**$13,500/year**	AT AGE 60	$20,592/year
AT AGE 66	$18,000/year	AT AGE 66	**$28,800/year**
AT AGE 70	$23,760/year	AT AGE 70	$28,800/year

Above example assumes a full retirement age of 66, individual benefits of $18,000/year at full retirement age, and survivor benefits of $28,800/year at full retirement age.

The above are hypothetical examples of the Social Security benefits that could be received from the government and is for illustrative purposes only. As the specifics for your situation may be different, please go to ssa.gov for more information.

As everyone's situation is unique, it's important to work with your financial professional to determine if these strategies might benefit you. Please keep in mind that the earnings test will apply to those under full retirement age, and can impact the results for those who have excess wages and/or self-employment income.

understanding your Social Security statement

Reviewing your Social Security statement can provide you with important details about your benefits. You and your financial professional can examine your statement and your current retirement plan to see if you're on track to reach your goals.

Here are some tips on how to read your statement and better understand your Social Security benefits.

Your payment would be about
$1,903 a month
at full retirement age

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

January 2, 2019

Your Social Security Statement

This *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are not **intended to be your only source of income when you retire**. On average, Social Security will replace about 40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to make sure you have enough money to live comfortably when you retire.

To view your *Statement* online anytime, create a ***my* Social Security account** at *myaccount.socialsecurity.gov*.

To view your *Social Security Statement* online anytime create a ***my* Social Security** account today!

On average, Social Security will replace about 40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to live comfortably when you retire.

Social Security benefits are **not intended to be your only source of income when you retire**.

Don't rely exclusively on Social Security to reach your retirement income goals. Be sure to consider other sources of income as well. Keep in mind that:

- Social Security benefits are not intended to be your only source of income when you retire
- On average, Social Security will replace about 40% of your annual pre-retirement earnings

***Retirement**	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...	
	your full retirement age (67 years), your payment would be about	$ 1,903 a month
	age 70, your payment would be about	$ 2,372 a month
	age 62, your payment would be about	$ 1,311 a month
***Disability**	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about	$ 1,809 a month
***Family**	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
***Survivors**	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:	
	Your child	$ 1,356 a month
	Your spouse who is caring for your child	$ 1,356 a month
	Your spouse, if benefits start at full retirement age	$ 1,809 a month
	Total family benefits cannot be more than	$ 3,298 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of $255.	
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.	

Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.

Your estimated taxable earnings per year after 2019	$51,714
Your Social Security number (only the last four digits are shown to help prevent identity theft)	XXX-XX-1234

If you can delay taking Social Security benefits, you may be able to take advantage of an increase in your monthly payments.

According to the Social Security Administration, "By 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits."

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1995	642	
1996	1,640	
1997	3,075	
1998	5,439	
1999	7,688	
2000	9,764	
2001	12,066	
2002	15,217	
2003	18,475	
2004	21,779	
2005	24,793	
2006	28,049	
2007	31,308	
2008	33,800	
2009	34,815	
2010	36,968	
2011	39,320	
2012	41,659	
2013	43,197	
2014	45,660	
2015	48,079	
2016	49,370	
2017	51,714	
2018	Not yet recorded	

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
2000	9,764	9,764
2001	12,066	12,066
2002	15,217	15,217
2003	18,475	18,475
2004	21,779	21,779
2005	24,793	24,793
2006	28,049	28,049
2007	31,308	31,308
2008	33,800	33,800
2009	34,815	34,815
2010	36,968	36,968

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Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:		Estimated taxes paid for Medicare:	
You paid:	$35,861	You paid:	$8,766
Your employers paid:	$37,480	Your employers paid:	$8,766

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to $132,900 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to $132,900 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than $200,000 ($250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name

processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more

Pay close attention to "Your Earnings Record," which details your earnings subject to Social Security over the years.

Because your Social Security benefit is based on these numbers, it's important to check this record for accuracy.

Some Facts About Social Security

About Social Security and Medicare…

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit ***www.medicare.gov*** or call **1-800-633-4227** (TTY **1-877-486-2048** if you are deaf or hard of hearing).

Retirement — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as 62 and take benefits at a reduced rate. If you work after your full retirement age, you can receive higher benefits because of additional earnings and credits for delayed retirement.

Disability — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

Extra Help with Medicare — If you know someone who is on Medicare and has limited resources and income, Extra Help is available for prescription drug costs. The Extra Help can help pay the monthly premiums, annual deductibles and prescription co-payments. To learn more or to apply, visit ***www.socialsecurity.gov*** or call **1-800-772-1213** (TTY **1-800-325-0778**).

Receive benefits and still work...

You can work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. When you apply for benefits, we'll tell you what the limits are and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Before you decide to retire...

Carefully consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your monthly benefits will be reduced.

As we discussed, consider the advantages and disadvantages that working can have on your monthly Social Security payout.

WHAT SOURCES OF RETIREMENT INCOME DO YOU HAVE?

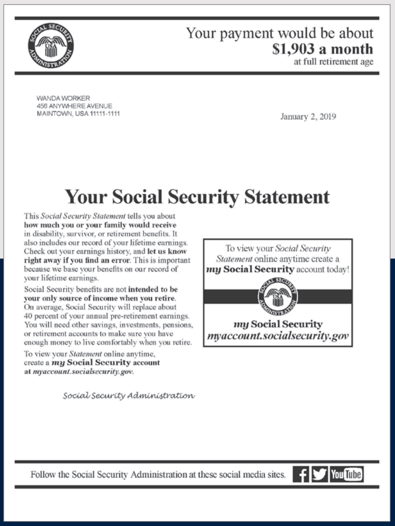
It's never too late to take inventory of where your retirement income is going to come from.

- Your financial professional can help you estimate how much retirement income you'll need and how much you'll have.
- Doing this now may give you the opportunity to help fill in any gaps or shortfalls.

why don’t I receive a Social Security statement every year?

To reduce costs, the Social Security Administration now mails Social Security statements to contributors every five years. However, your statement is also available online.

Go to **socialsecurity.gov** to create a secure user account and view your statement today.


Your payment would be about
$1,903 a month
at full retirement age

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

January 2, 2019

Your Social Security Statement

This *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are **not intended to be your only source of income when you retire**. On average, Social Security will replace about 40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to make sure you have enough money to live comfortably when you retire.

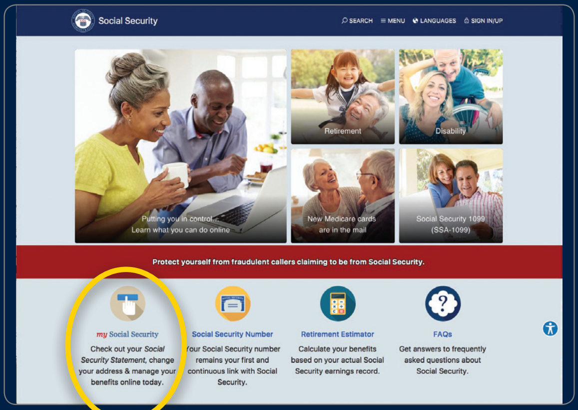
To view your *Statement* online anytime, create a ***my* Social Security account** at *myaccount.socialsecurity.gov*.

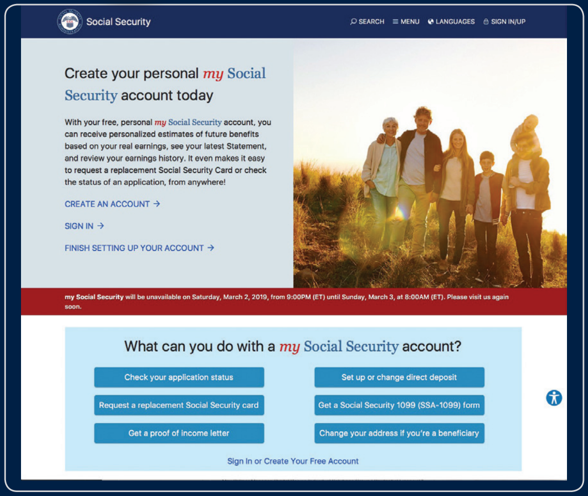
Social Security Administration

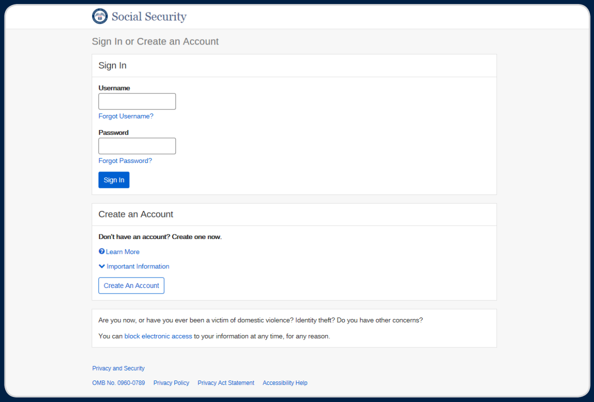
To view your *Social Security Statement* online anytime create a ***my* Social Security** account today!

***my* Social Security**
myaccount.socialsecurity.gov

Follow the Social Security Administration at these social media sites.







- Go to **socialsecurity.gov**
- Click on ***my* Social Security**
- Click on **Create an Account**
- Read and agree to the **Terms of Service**, then click **Next**
- **Provide your personal information**, including name, address, and Social Security Number
- **Secure your identity** by answering personal questions only you would know
- **Create your account** by creating a username and password

Congratulations! You now have an account

securing your retirement

Thinking above and beyond Social Security

Not surprisingly, today's workers would like to retire without compromising their current lifestyle, and many are counting heavily on Social Security and company pensions to meet their retirement income needs. Yet, on average, Social Security will only replace about 40 percent of your annual pre-retirement earnings.[1]

Social Security is just one part of an overall plan for a secure retirement. Your financial professional can help you prepare for your financial needs.

Begin planning for your future

Conventional wisdom says you'll need as much as 70% to 80% of your pre-retirement income, adjusted each year for inflation, to continue your current lifestyle. There are many factors to consider when deciding how much more money you will need from sources other than Social Security to create your retirement income. By considering the following, you may be better prepared for the future.

- Review your tax-advantaged investment accounts and company pension plans to see how much income you can expect to receive from these sources.
- List other income sources you may have to help bridge the gap between Social Security benefits and the income you'll actually need to last a lifetime in retirement.
- Talk to your financial professional and review your Social Security benefits and your retirement plans. Your financial professional can use a variety of tools to develop a strategy that will help you build more assets and bridge your income gap.

See if a variable annuity fits into your plan

Ask your financial professional about how a variable annuity may help provide retirement income certainty by creating guaranteed income that can last a lifetime. There are many types of variable annuity strategies that may:

- Help protect your retirement income during market downturns
- Offer the opportunity for guaranteed income growth
- Provide tax deferral advantages
- Give you the flexibility to access your account value if needed (subject to contract terms)

Your financial professional can help you decide if a variable annuity strategy is right for your unique situation.

[1] socialsecurity.gov, *Your Social Security Statement,* Form SSA-7005-SM-SI, accessed March 2019

Withdrawals in excess of the income amount impact the value of a product or benefit and can also affect the certainty of the income. An excess withdrawal occurs when cumulative Lifetime Withdrawals exceed the income amount in an annuity year. If an excess withdrawal is taken, only the portion of the Lifetime Withdrawal that exceeds the remaining income amount for that year will proportionally and permanently reduce future guaranteed amounts. If an excess withdrawal reduces the account value to zero, no further amount would be payable and the contract terminates.

Investors should consider the features of the contract and the underlying portfolios' investment objectives, policies, management, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional. Please read the prospectus carefully before investing.

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Annuity contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your licensed financial professional can provide you with complete details.

A variable annuity is a long-term investment designed for retirement purposes. Investment returns and the principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original investment. Withdrawals or surrenders may be subject to contingent deferred sales charges.

All references to income certainty and guarantees, including the benefit payment obligations arising under the annuity contract guarantees, rider guarantees, optional benefits, any fixed account crediting rates or annuity payout rates are backed by the claims-paying ability of Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey. Those payments and the responsibility to make them are not the obligations of the third party broker/dealer from which this annuity is purchased or any of its affiliates. All guarantees, including optional benefits, do not apply to the underlying investment options.

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This material should be regarded as educational information on Social Security and is not intended to provide specific advice. If you have questions regarding your particular situation, you should contact your legal or tax advisors.

Because qualified retirement plans, IRAs and variable annuities offer a tax-deferral feature, you should carefully consider the other features, benefits, risks, and costs associated with a variable annuity before purchasing one in either a qualified plan or an IRA. Before purchasing a variable annuity, you should take full advantage of your 401(k) and other qualified plans.

[REF# 7685629]

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