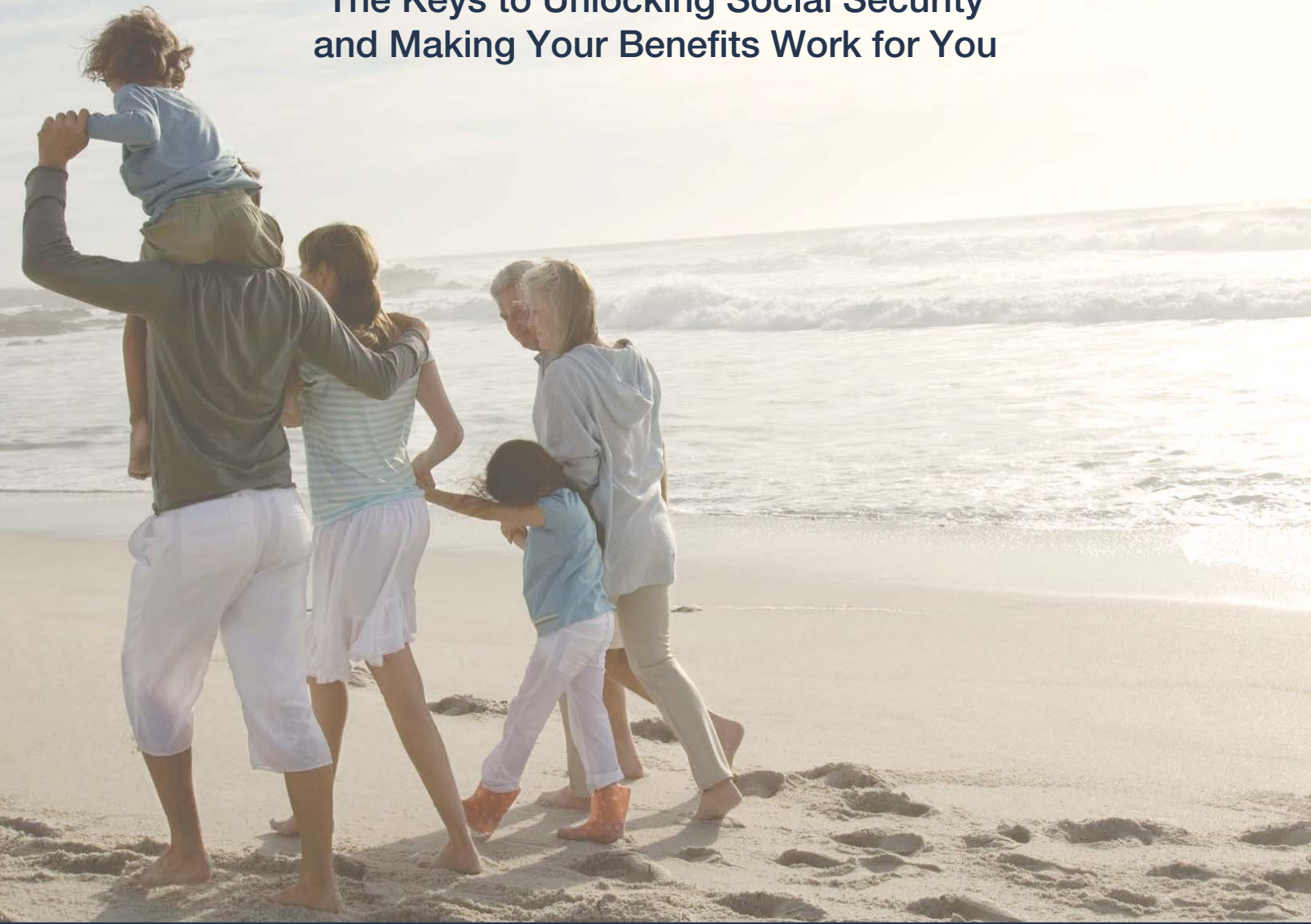




I Have a Question

The Keys to Unlocking Social Security
and Making Your Benefits Work for You



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You Have Questions About Social Security

You're not alone.

In fact, beginning with the Baby Boomers who turned 65 in 2010, some 72+ million people born between 1946 and 1964 will enter retirement in the next 20 years.¹ For most of these people, Social Security will be a big part of their retirement income. But understanding Social Security benefits is not easy. There are many areas where you can stumble. Mistakes can be costly. Unfortunately, there is no “one size fits all” solution.

With this in mind, we have provided basic answers to some of the most common questions associated with Social Security and the benefits it provides. This sequence of questions and answers is meant to be a starting point for discussions you'll have when crafting a retirement plan. Talk to your financial professional today to decide how to use Social Security to help you achieve your retirement goals.

Schedule an appointment today with your financial professional for your customized Social Security claiming strategy

¹US News & World Report, “The Baby Boomer Number Game,” March 2012

Will Social Security Be There for Me?



*Social Security is the main source of income for **37%** of Americans age 65 and over¹*

The program's future is a hot-button topic throughout the nation today. You want to know if you can count on your benefits.

The trustees project that:

- Reserves will be sufficient to pay full benefits until 2033.
- Tax income will cover at least 73% of promised benefits from 2036 to 2085, even if nothing changes.

This means a person age 55 today probably won't have to worry about benefits changing until age 75 at the earliest. However, the system will likely need to be changed in order to remain solvent down the road.

Those changes may include:

- Increased Social Security tax rates
- Higher earnings maximum subject to Social Security tax
- Increase of Full Retirement Age
- Decrease of future retirement benefits
- Reduction of future Cost of Living Adjustments (COLAs)

Workers to Beneficiaries Ratio



Social Security Administration, "2012 OASDI Trustees Report"

¹Social Security Administration, "Fast Facts & Figures About Social Security," 2012

How are My Benefits Calculated?

Basic Concepts

Before we discuss your benefits, you should familiarize yourself with two basic terms. These are used as starting points for calculation reductions or increases in benefits. Knowing these will help you understand the information in this guide.

Full Retirement Age (FRA): This is the age at which a person may first become eligible for full (unreduced) retirement benefits. It is based on your date of birth. You can find your FRA using the table “FRA by Year of Birth” on Page 6.

Primary Insurance Amount (PIA): This is a calculation by the Social Security Administration based on monthly earnings during the 35 years in which you earned the most. It represents the amount you would receive monthly if you began collecting benefits at FRA. You can find this number by referencing your annual Social Security statement (see below) or by consulting your financial professional.

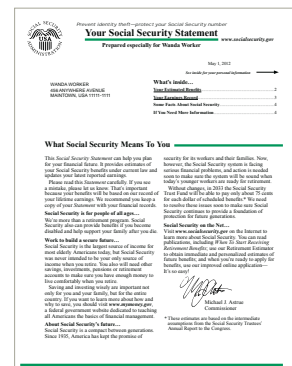
Earning Credits

Before earning benefits, you must earn enough credits to be eligible. Generally this requires 40 credits, or about 10 years in the workforce.

In 2013, you receive one credit for each \$1,160 in wages you earn. You can earn a maximum of four credits per year. Remember that credits only determine eligibility, not the benefit amount.

Annual Statement

Your annual Social Security statement is an excellent resource for estimating what your benefits will be in retirement. In 2011, the Social Security Administration resumed mailing these to people 60 and older, but anyone older than 18 can access the statement online.



Access your statement using these simple steps:

- 1 Visit ssa.gov/mystatement
- 2 Provide your valid email address, Social Security number and address
- 3 Verify your identity by answering some basic questions
- 4 Create a username and password
- 5 Once your account is created, you can download your statement

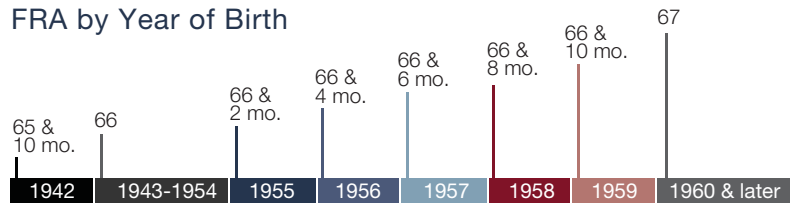
How are My Benefits Determined?

One of the most crucial factors in determining the amount of benefits you receive is when you file. It's also the factor over which you have the most control.

1 Filing at FRA

This option is the most straightforward. You are eligible for full benefits (100% of your PIA) when you decide to begin receiving benefits at FRA.

FRA by Year of Birth



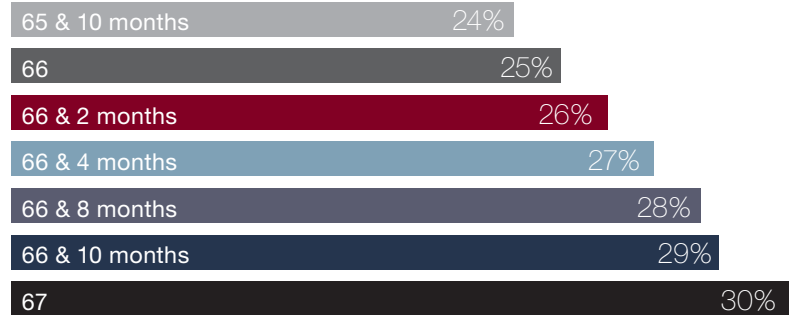
If born Jan. 1, the SSA figures your benefit as if you were born the previous year. Social Security Administration, "Retirement Planner: Retirement Benefits by Year of Birth, 2012," SSA.gov

2 Filing early

You are allowed to claim benefits as early as the first full month you reach age 62. Doing so, however, will result in a reduction of benefits. You can claim benefits any time between 62 and FRA. Your benefits will be reduced according to how many months remain until your FRA at the time you file.

Decrease in Benefits if Claiming at 62

Amount reduced by the time you reach Full Retirement Age

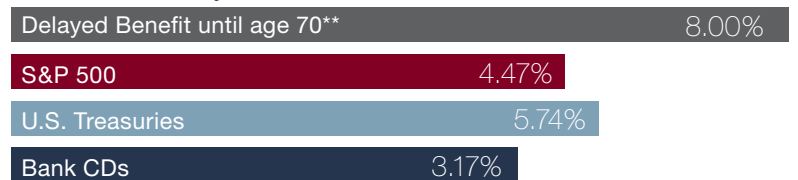


Social Security Administration, "Retirement benefits by year of birth 2012," and "Retirement Planner: Delayed Retirement Credits, 2012," SSA.gov

3 Filing after FRA

The last option will give you the highest benefit possible, if you can afford to wait. For every month after FRA you wait to receive benefits, your benefits amount will increase. This is true up to age 70. As you can see by the chart, delaying can trigger an increase of up to 8% per year.

Return on Delayed Benefits – Annual rate of return*



*Return data based on 15-year average annualized returns of S&P 500 TR, Barclays US Treasury TR (USD) and USTREAS CD Sec Mkt 6 Mon as of 12/31/2012. You cannot invest directly in an index.

**If born 1943 or later

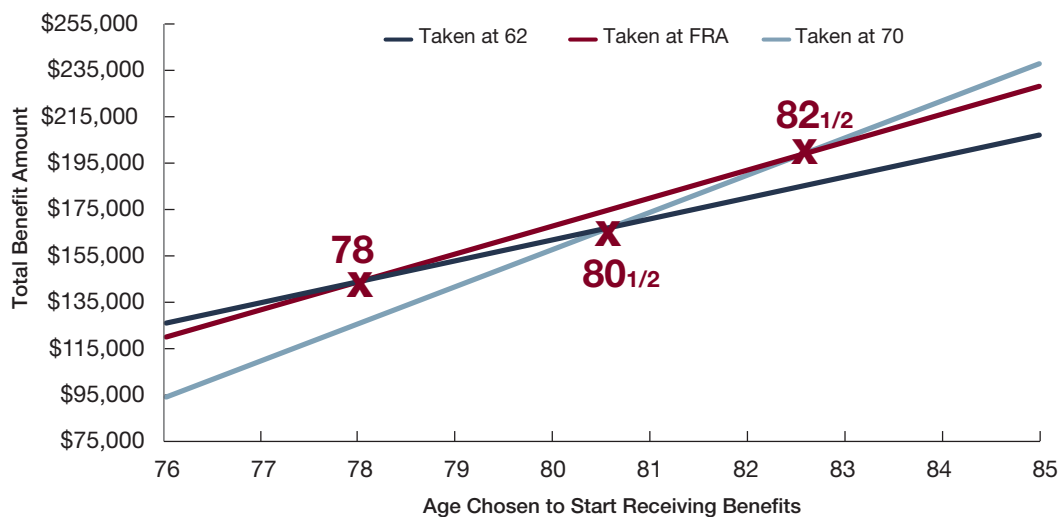
How Do I Decide When to Collect?

This is a difficult question. Everybody's situation is different, because there are so many factors involved. Here are some basic criteria to give you a starting point. Your financial professional will be able to customize a claiming strategy for your unique situation.

Before anything else, it's important that you appreciate the impact of your life expectancy. The probability of a married couple having at least one person living to age 92 is 50%. That's a coin flip. You should make sure your retirement plan isn't too nearsighted.

Hypothetical Breakeven Ages*

This graph shows a hypothetical example of the points when the total benefits received when taken at a certain age "break even" with the totals received when taken at another age. As you can see, the later you take benefits, the greater the benefit amount will be when you get older. On the other hand, you'll have more benefits early in your retirement if you elect to take them early.



*Calculations assume a PIA of \$1,000 and an FRA of 66; this is a hypothetical illustration and does not guarantee or predict actual performance; benefit totals do not include COLA adjustments
 Social Security Administration, "Benefit Amount if Retirement is Delayed 2012," and "Starting Benefits at Different Ages Will Change Your Amount 2012," SSA.gov

Can I Work and Still Receive Benefits?

The answer is yes. In some cases it increases benefits because of a positive effect on your earnings history. But there are considerations. If you receive benefits prior to FRA, you must be aware of earning limits. Surpassing these limits will result in a reduction of benefits. The table outlines the current earnings limits and the reductions if exceeded.

Working in Retirement (2013 Earnings Limits)

Under FRA - \$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$15,120 per year
Individual reaches FRA in 2013 - \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$40,080 per year
Month individuals reached FRA and beyond - Reduction no longer applies	Unlimited

Social Security Administration, "2013 Social Security Changes," SSA.gov

Spousal Benefits and Strategies

Now that you understand when you can collect benefits, and have an idea of when to collect them, let's talk about one of the most advantageous aspects of Social Security.



You and your spouse can work together to make the most out of your benefits, whether that's a current spouse, a deceased spouse or even a divorced spouse. Yes, all those years of bliss will eventually pay off.

To make these scenarios easier for us to explain, and for you to understand, we've put them in the context of a fictional married couple – the Roosevelts.

Frank

- Married to Ellen
- Higher wage earner
- FRA is 66

Ellen

- Married to Frank
- Lower wage earner
- FRA is 66

Spousal Benefits – General Rules*

- If you file for spousal benefits at FRA, your spousal benefit will be equal to 50% of your spouse's PIA
- You must be age 62 or older to qualify
- You cannot collect benefits on current spouse's record until he or she files for their own benefit
- Amount is reduced if taken before FRA, but won't increase if delayed
- These rules also apply for divorced-spouse benefits, as long as the marriage lasted at least 10 years and the beneficiary spouse is currently unmarried**

*Some exceptions exist

**Those who qualify for divorced-spouse benefits may collect before former spouse files

Social Security Administration, "Retirement Benefits, 2012," and "Retirement Planner: "Benefits for Your Spouse, 2012," SSA.gov

Strategy #1 – Large Difference in Earned Income

This strategy allows the couple to begin their income stream at age 62, while still allowing Frank to maximize his individual benefit. It also increases Ellen’s monthly benefit by \$500 at her FRA, and allows her to receive the maximum survivor benefit if Frank dies first.

Note: Also known as “File and Suspend.” This strategy will not work if Frank files prior to FRA.

How it Works



Ellen
PIA = \$600
FRA = 66

Files for reduced individual benefit of \$450 per month

Collects spousal benefit of \$500, bringing monthly benefit to \$950

Switches to survivor benefit of \$2,904 per month

Age 62

FRA

Age 70

Frank’s Death

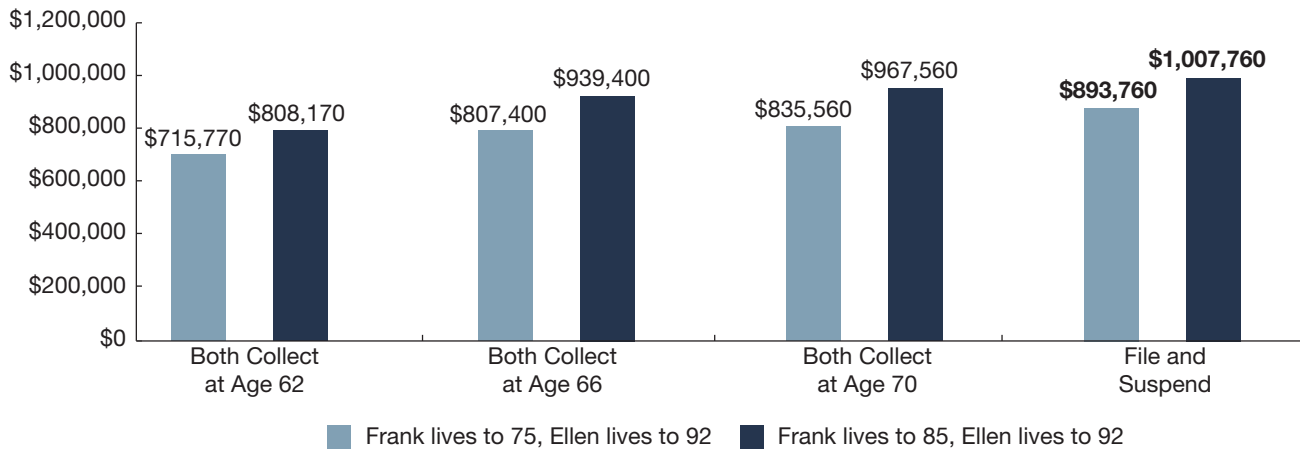


Frank
PIA = \$2,200
FRA = 66

Files and suspends, allowing Ellen to collect her spousal benefit

Begins receiving individual benefit of \$2,904 per month

Benefits Analysis



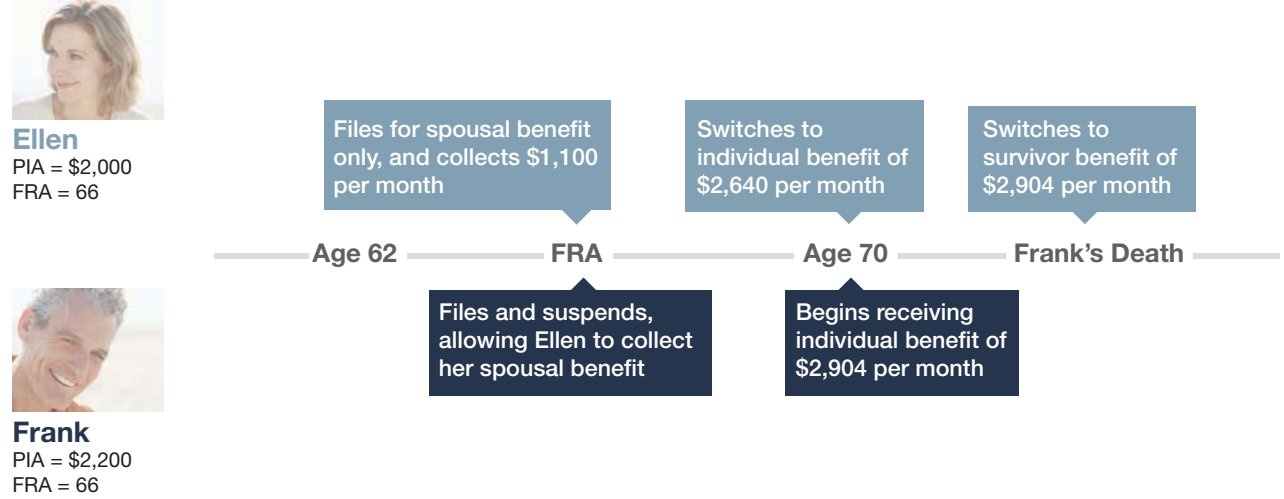
This is a hypothetical illustration and does not guarantee or predict actual performance; totals do not include COLA adjustments. Educated Investor Featured Article, “File and Suspend,” July 2009 ; Social Security Administration, “Benefit Amount if Retirement is Delayed 2012,” and “Retirement Benefits by Year of Birth 2012,” SSA.gov

Strategy #2 – Similar Earned Income

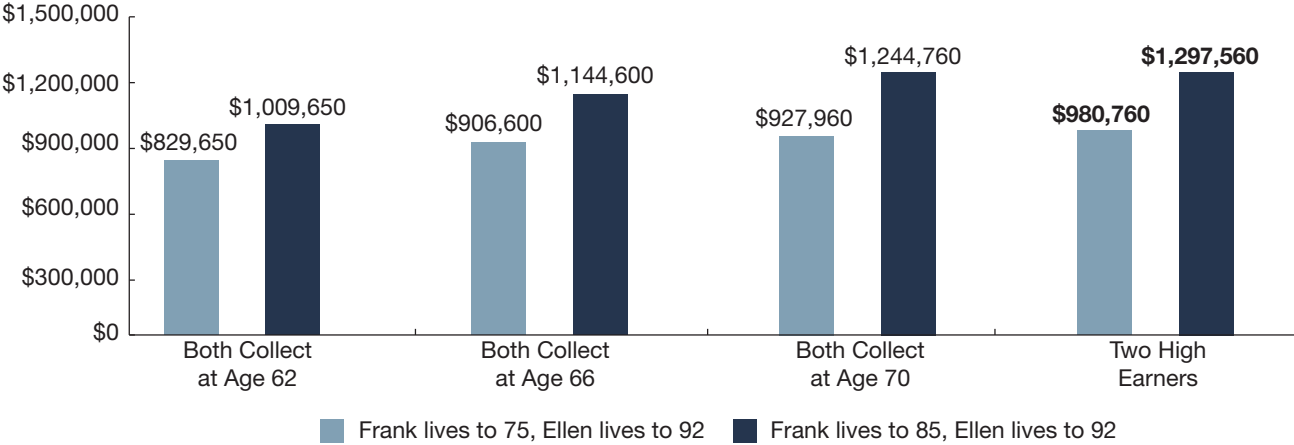
This strategy allows Ellen to receive full spousal benefits at FRA while still maximizing her and Frank’s individual benefits. It also ensures Ellen will receive the maximum survivor benefit if Frank dies first.

Note: Because the key to this strategy is maximizing both individual benefits, the longer each spouse lives, the more advantageous this strategy becomes.

How it Works



Benefits Analysis



This is a hypothetical illustration and does not guarantee or predict actual performance; totals do not include COLA adjustments. Educated Investor Featured Article, "File and Suspend," July 2009 ; Social Security Administration, "Benefit Amount if Retirement is Delayed 2012," and "Retirement Benefits by Year of Birth 2012," SSA.gov

Survivor Benefits

The loss of the family's primary wage earner is a significant event. Social Security compensates for this through survivor benefits, which may continue to provide income to families even after a worker's death. These benefits are an important part of Social Security planning.



Survivor Benefits – General Rules

- Surviving spouse can receive up to 100% of the deceased spouse's benefit
- Except in the case of an accident, a couple must have been married at least nine months at time of death
- Survivor gets full benefit at FRA, and must be at least 60 (50 if disabled) for reduced benefit
- Benefit is not available if surviving spouse remarries before age 60
- Divorced spouse can claim survivor benefit on ex-spouse's record if marriage lasted at least 10 years

Schedule an appointment today with your financial professional for your customized Social Security claiming strategy

At Transamerica, **TOMORROW** Started Yesterday

The vision of our company began over a century ago with a simple premise that business should be conducted the right way. A young entrepreneur, and the son of Italian immigrants, A.P. Giannini had earned a reputation among small merchant farmers in California's Santa Clara Valley as a fair and honest produce broker who was committed to serving the needs of the common man.

Discouraged with how large banks neglected the middle class, Giannini opened his own Bank of Italy in San Francisco in 1904. When the great earthquake struck in 1906, he boldly rescued the deposits and cash from his vault as fires raged in the city. Within days he was offering loans to residents, with only a handshake as collateral, from a makeshift desk on the docks in North Beach. An American story was born.

Titan of American Commerce

Giannini's new venture grew rapidly, yet his focus on what he viewed as the only legitimate purpose of business — serving the needs of others — never changed. He taught children to save, helped women to become financially independent, and introduced lasting innovations such as branch banking and installment loans for home mortgages and automobiles.

In 1928, Giannini formed the Transamerica Corporation — a holding company for his bank — and later, Occidental Life Insurance Company. His support helped the growth of California's fledgling agriculture, wine and film industries, and even the construction of the Golden Gate Bridge. By 1946, three years before his death, Giannini had created the largest private bank in the world.

Growth and Acquisitions

After federal regulation in 1956 led the company to divest its banking entities, Transamerica began to concentrate on its businesses of insurance and financial services, while also expanding into a number of other consumer leisure services. These included United Artists, Trans International Airlines and Budget Rent-A-Car.

By the 1980s, over a decade after the iconic Transamerica Pyramid in San Francisco was completed, Transamerica had become a major, diversified, operating company with one of the most recognized brands in the country.

Narrowing the Focus

In 1999, Transamerica began a new chapter in its history when it became part of one of the world's leading life insurance and pension groups — AEGON N.V. By then Transamerica was well on the way to establishing its core businesses of insurance, investments and retirement.

That same year, Time magazine named A.P. Giannini to its list of the 100 most influential people of the 20th century. We believe he would be pleased with Transamerica today; not only for earning a reputation as one of the world's most respected financial institutions, but also because we have never lost sight of our purpose. . .

SERVING OTHERS.

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