THE RETIREMENT GROUP LLC
PARTNERS IN RETIREMENT

Retirement Guide For Merck Employees

Updated For 2020

Disclaimer: MRK is not affiliated with The Retirement Group or FSC Securities Corporation

Introduction

The Retirement Group was founded with the goal of assisting our Merck (MRK) corporate employees in every aspect of their financial lives as they transition into retirement. We aim to provide the most personal service available, thus earning a reputation for excellence in our industry. For each of our clients we strive to help create financial stability and security to provide financial independence.

Our staff consists of experienced professionals who know MRK benefits and provide a "hands on" approach to financial guidance. Not only do our clients find our team members knowledgeable, but they also discover that our staff truly cares about making their dreams a reality. We do everything in our power to keep our clients focused on where they want to go, advise them on how to get there, and continually remind them of the importance of maintaining a disciplined approach to pursue their goals.

Our company is based on the principle that education and understanding of one's current financial situation is vital to successfully make prudent decisions concerning one's financial future.

Learn more by visiting:

www.theretirementgroup.com

As you transition from MRK, we want to share information to help you make important decisions that affect you and your family’s well-being.

This guide tells you about MRK benefits, steps to take, and where to find resources that will help you get the most from your retirement benefits.

Please note: This guide lists the actions you must take to access your retirement benefits. Read the Tips on Using This Guide section for more information and refer to the MRK Summary Plan Description for a full description[4].

Disclosure: The Retirement Group is not affiliated with MRK.

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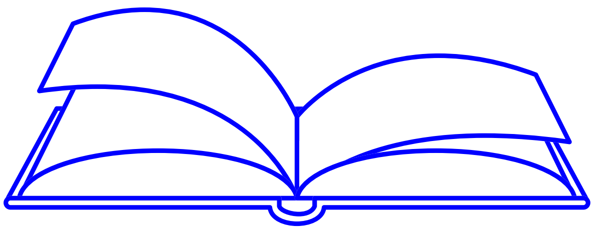
Stages of Retirement

This specially designed guide offers a summarized list of steps to simplify your transition into retirement. We provide links to websites and other resources you will need to help you get the most from your retirement benefits.

Please note: This guide is a summary of the actions you must take to access your retirement benefits. For full details, you should review the MRK summary plan descriptions (SPD) (4) that apply to your retirement benefits. For health and welfare benefits, if you are still an active employee, call the MRK Benefits Center and request the applicable SPDs(4). This is a summary of steps to take before and after leaving MRK. The official plan documents are the final authority on the terms of the plans.

To find more in depth information on early retirement offers read our e-book

"Early Retirement Offers"



Stages of Retirement

Retirement planning, whether you are 20 or 60, is something we must actively plan towards annually. Unfortunately, numerous polls and experts say the majority of Americans don't know how much to save or the income they will need.

Getting started... Your 20's and early 30's

Everyone knows it's critical to start in your 20's and early 30's. Many suffer from impending anxiety from not saving enough, while others are grateful they feel secure.

TIME... It is the one advantage you will never get again. As some of you may know, compounding has significant impacts on future savings. Starting early matters and the key is to increase/maximize your MRK 401(k) contributions.

Say you open a tax-deductible Individual Retirement Account (IRA) at age 25 and invest $100 a month until age 65. If the account earns 8% a year, you could amass $349,100 by age 65. If you wait until age 35 to start saving the same $100 a month, you could end up with $149,035 when you are 65. Waiting 10 years to start saving and investing could cost you substantially.

There are three primary reasons why a 401(k) is such a popular retirement savings vehicle: **matching contributions, tax benefits, and compound growth.**

Matching contributions is what it sounds like: It's when your employer matches your own 401(k) contributions with company money. If your employer matches, they'll typically match up to a certain percent of the amount you put in.

Let's say that your employer matches up to 3% of your contributions to the plan, dollar for dollar. If you contribute 2% of your salary to your plan, your total 401(k) contribution will be 4% of your salary each month after the employer match is added. If you bump up your contribution by just 1% (so you're putting in 3% of your salary), your total contribution is now 6% with the employer match.

Unfortunately, many workers don't take full advantage of the employer match because they're not putting in enough themselves. A recent study revealed that employees who don't maximize the company match typically leave $1,336 of potential extra retirement money on the table each year. (23)

Stages of Retirement

Working on it... Your 30's through your 40's.

At this stage, you're likely full stride into your career and your income probably reflects that. The challenges to saving for retirement at this stage come from large competing expenses: a mortgage, raising children and saving for their college. Try investing a minimum of 10% of your salary towards retirement. Always, maximize the MRK contribution match.

One of the classic conflicts is saving for retirement versus saving for college. Most financial planners will tell you that retirement should be your top priority because your child can usually find support from financial aid whereas you'll be on your own to fund your retirement.

The home stretch... Your 50's and 60's.

Ideally, you're at your peak earning years and some of the major household expenses, such as a mortgage or child-rearing, are behind you, or soon will be. Now, it's time boost your retirement savings goal to 20% or more of your income as it's the last opportunity to stash away funds.

Workers age 50 or older, in 2020, can invest up to $19,500 into their retirement plan/401(k). Once they meet this limit they can add an additional $6,500 in catch up contributions. These limits are adjusted annually for inflation. If you are over 50, you may be eligible to use a catch-up contribution within your IRA.

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"Early Retirement Offers"

Your Pension Plan

Whether you're changing jobs or retiring from MRK, knowing what to do with your hard-earned retirement savings can be difficult. An employer-sponsored plan, such as a Pension & 401(k), may make up the majority of your MRK retirement savings, but how much do you really know about that plan and how it works? There are seemingly endless rules that vary from one retirement plan to the next, early out offers, interest rate impacts, age penalties, & complex tax impacts.

Increasing your investment balance and reducing taxes is the key to a successful retirement plan spending strategy. Our advisors at The Retirement Group can help you understand how your retirement 401(k) fits into your overall financial picture and how to make that plan work for you.

"Workers are far more likely to rely on their workplace defined contribution (DC) retirement plans as a source of income. 8 in 10 believe this will be a major or minor source of income in retirement. 3 in 4 expect income to come from their personal retirement savings or investments."
- Employee Benefit Research Institute

As of March 2018, 77% of full-time private-sector American workers had access to an employer retirement plan, but only 61% chose to participate. Regardless of what you choose to do with the funds from your employer retirement plan, you're already ahead of 39% of all workers.(1)

Your Pension Plan - Overview

Current DB Plan vs Cash Balance Plan

- Eligibility
- Formula
- Accrual
- New Features
- Comparison
- Q&A

Eligibility:

- 55 +10 = Reduced Pension Benefit
- 62 +10 = Unreduced Pension Benefit
- 65 + ? = Unreduced Pension Benefit
- Must have 5 years of service to qualify for any pension benefit
- Must be 55+10 to qualify for the lump sum option

Final Average Pay Formula

1.6% FAP X Years of Service after 7/1/95

+

2% FAP X Years of Service prior to 7/1/95

-

Social Security Offset

=

Annual Life Income

Final Average Pay is calculated using your 5 highest paid consecutive years during the last 10 years.

Age Penalties:

- 0.25%/month (3%/year < 62)
    - Max discount = 21% (if benefits elected at age 55)
    - Penalties can be avoided if benefits are deferred until 62

Your Pension Plan - Social Security Offset

1.6% X SSB X Years of Service (Maximum offset of 50% SSB

Example:

1.6% X $18,000 X 21 = $6,048

SSO = $6,048 (No cap because below 50% of $18,000)

Full Example:

1.6% X $160,000 X 16 = $40,960

+

2% X $160,000 X 5 = $16,000

-

SSO = $6,048

=

Annual Life Annuity = $50,912

/12

Monthly Annuity = $4,243

Your Pension Plan - Hourly Pension Plan

You will receive the greater of these two formulas:

- Minimum Benefit Formula
- Career Average Earnings

Minimum Benefits Formula:

$55 x Years and Months of Accredited Service x 12

Example: Retire at age 65 with 35 years of service and your minimum benefit would be calculated as follows: $55 x 35 years of service x 12 = $23,100 annual benefit

Career Average Earnings Pension Formula:

- The Benefit Rate varies by earnings levels:
  - For years after 1999: 1.25% of the first $4,800 annual earnings plus 1.50% of earnings over $4,800.
  - For years prior to 2000: 1.25% of the average of the 18 highest wages between 1980 and 1999 up to $4,800 plus 1.50% of such average over $4,800 this sum is then multiplied by credited service earned as of December 31, 1999.

- Merck Annual Retirement Income
- Career Average Accrued Benefit as of December 31, 2002: $24,723.00 per year
- Accrual for 2003-2011

1.25% x first $4,800 = $60 x 8 = $480

1.5% x $45,200 (pay > $4,800) = $678 x 8 = $5,424 + $480

Totals: $5,904.00/year

Total benefit under the plan is $30,627 per year

Your Pension Plan - New Cash Balance Plan

- Starting January 1, 2013, Merck will calculate retirement benefits under a cash balance formula.
- From January 1, 2013 to December 31, 2019, Merck will include a transition period where employees will earn retirement income benefits that are at least equal to the benefits available under your current pension plan. You will receive the greater of the two formulas being calculated for you if you left the company before December 31st, 2019.
- Effective January 1, 2020, All employees benefits will be calculated under the new cash balance formula only.
- **Leaving after January 1, 2020 will not result in a loss of the transition provision.**

Formula:

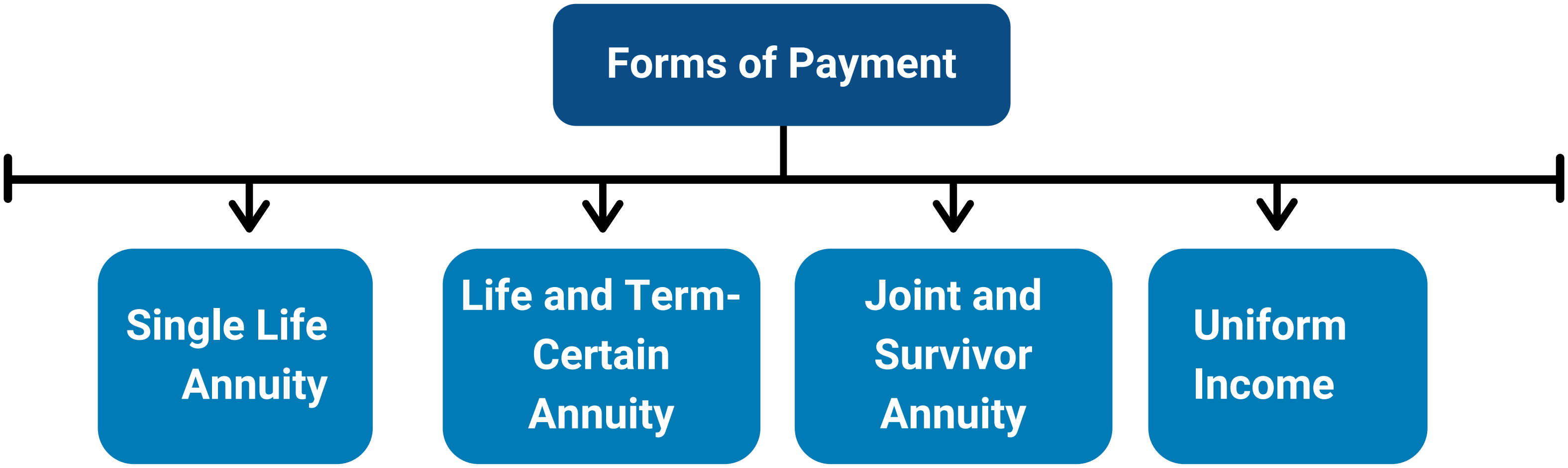
Opening Balance + Pay Credits + Interest Credits

- Opening Balance will be $0 as of January 1, 2013
- Pay Credits will be based upon Age + Years of service
- Interest Credits will be added using the Consumer Price Index plus 3%
- Default payment will be viewed as a lump sum rather than an annuity

Pay Credits:

Age + Service	% of Total Pay Credited to Your Pension Account
39 or Less	4.5%
40-49	5.5%
50-59	6.5%
60-69	8.0%
70 or More	10%

Your Pension Plan: Payment Options



Thinking about what to do with your pension is an important part of planning for your retirement at MRK. What is best for you and your family?

You should routinely use the tools and resources found on The Retirement Group's e-book gallery, such as the *Pharmakit(*16), to model your pension benefit in retirement and the pension payment options that will be available to you.

You can also contact a MRK advisor at The Retirement Group at (800)-900-5867. We will get you in front of a MRK advisor to help you start the retirement process and tell you about your payment.

To find more information on determining how much cash flow you need in retirement, read our e-book

"Determining Cash Flow"

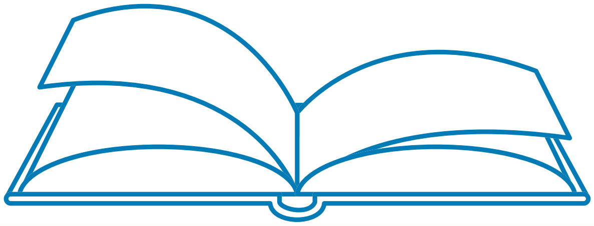
Your Pension Plan

Note: We recommend you read the MRK Summary Plan Description.The Retirement Group is not affiliated with MRK.
Next Step:

- How do interest rates affect your decision?
- Use the "*Pharmakit*" (16) to understand cash flow, interest rates, and explore which pension option might be the best fit for you during retirement.
- As you get closer to your retirement date, contact an MRK focused advisor at The Retirement Group and also read the applicable SPD Summary(4) to start your retirement process.
- MRK will need you to provide documents that show proof of birth, marriage, divorce, Social Security number, etc., for you and your spouse/legally recognized partner.
- MRK has Beneficiary Designation online to make updates to your beneficiary designations, if applicable to your pension program. Please read your SPD for more details(4).

To find more in-depth information on our Pharmakit, click here

"Pharmakit"



Your 401(k)

401(k) Plan

- Administrator: Fidelity NetBenefits (www.401k.com)
- Good Investment Menu
- Company Match: 75% of contributions up to 6% of salary
- Allows for In-Service Distributions (59.5, After-tax, etc.)
- 100% vested after 1 year
- 50% of match must stay in company stock until age 50

When is the last time you reviewed your 401(k) plan account or made any changes to it? If it's been a while, you're not alone. 73% of plan participants spend less than five hours researching their 401(k) investment choices each year, and when it comes to making account changes, the story is even worse.

When you retire, if you have balances in your 401(k) plan, you will receive a Participant Distribution Notice in the mail. This notice will show the current value that you are eligible to receive from each plan and explain your distribution options. It will also tell you what you need to do to receive your final distribution. Please call The Retirement Group at (800)-900-5867 for more information and we can help you get in front of an MRK advisor.

Next Step:

- Watch for your Participant Distribution Notice and Special Tax Notice Regarding Plan Payments. These notices will help explain your options and what the federal tax implications may be for your vested account balance.
- "*What has Worked in Investing*"(17) & "*8 Tenets when picking a Mutual Fund*"(7).
- To learn about your distribution options, call The Retirement Group at (800)-900-5867. Click our e-book for more information on "*Rollover Strategies for 401(k)s*".(13)
- Use the MRK Online Beneficiary Designation to make updates to your beneficiary designations, if needed.

Note: If you voluntarily terminate your employment from Merck, you will not be eligible to receive the annual contribution.

Your 401(k)

When faced with a problem or challenge, many of us are programmed to try to figure it out on our own rather than ask for help. The Christmas Eve ritual of assembling toys without looking at the instructions and that road trip when we refused to stop to ask for directions come to mind. But when we're talking about 401(k) investing, choosing to go it alone rather than get help can really hurt.

Over half of plan participants admit they don't have the time, interest or knowledge needed to manage their 401(k) portfolio. But the benefits of getting help go beyond convenience. Studies like this one, from Charles Schwab, show those plan participants who get help with their investments tend to have portfolios that perform better: The annual performance gap between those who get help and those who do not is 3.32% net of fees. This means a 45-year-old participant could see a 79% boost in wealth at age 65 simply by contacting an advisor. That's a pretty big difference.

Getting help can be the key to better results across the 401(k) board. A Charles Schwab study found several positive outcomes common to those using independent professional advice. They include:

- **Improved savings rates** – 70% of participants who used 401(k) advice increased their contributions.
- **Increased diversification** – Participants who managed their own portfolios invested in an average of just under four asset classes, while participants in advice-based portfolios invested in a minimum of eight asset classes.
- **Increased likelihood of staying the course** – Getting advice increased the chances of participants staying true to their investment objectives, making them less reactive during volatile market conditions and more likely to remain in their original 401(k) investments during a downturn. Don't try to do it alone.

Get help with your 401(k) investments. Your nest egg will thank you

Source: 26

In-Service Withdrawals

General Rules: You may withdraw amounts from your account while still employed by an employer under the circumstances described. Certain withdrawals are subject to regular federal income tax, and if you are under age 59 ½ you may also be subject to an additional 10% penalty tax. You can determine whether you are eligible for a withdrawal, and request one, via internet access or by calling the MRK Benefits Center.

Rolling Over Your 401(k)

As long as the participant is younger than age 70 ½, an in-service distribution can be rolled over to an IRA. A direct rollover would avoid the 10% early withdrawal penalty as well as the mandatory 20% tax withholding. Refer to your SPD for more information & possible restrictions on rollovers/withdrawals.

Because a withdrawal permanently reduces your retirement savings and is subject to tax, you should always consider taking a loan from the plan instead of a withdrawal to meet your financial needs. Unlike withdrawals, loans must be repaid, and are not taxable (unless you fail to repay them). In some cases, as with hardship withdrawals, you are not allowed to make a withdrawal unless you have also taken out the maximum available plan loan.

Note: The Plan Administrator reserves the right to modify the rules regarding withdrawals at any time, and may further restrict or limit the availability of withdrawals for administrative or other reasons, in its sole discretion. All participants will be advised of any such restrictions, which will apply equally to all employees.

For more information on rollover strategies for your 401(k), read our ebook

"Rollover 401(k) Strategies"

Borrowing from your 401(k)

Should you borrow from your 401(k)? Maybe you lose your job, have a serious health emergency, or face some other reason that you need a lot of cash. Banks make you jump through too many hoops for a personal loan, credit cards charge too much interest... and suddenly, you start looking at your 401(k) account and doing some quick calculations about pushing your retirement off a few years to make up for taking some money out.

It’s your money, and you need it now. But take a second to see how this could adversely affect your retirement plans.

Remember: Borrowing from your 401(k) may result in the following:

- **Losing growth potential on the money you borrowed**
- **Repayment and tax issues, if you leave your employer**

To find more in-depth information on our Pharmakit, click here

"Pharmakit"

IRA Withdrawal

What is the most efficient way to take my retirement income? Your retirement assets may consist of several retirement accounts — IRAs, 401(k)s, taxable accounts, and others. You may want to consider meeting your income needs in retirement by first drawing down taxable accounts rather than tax-deferred accounts. This may help your retirement assets last longer as they continue to potentially grow tax deferred. You will also need to plan to take the required minimum distributions (RMDs) from any employer-sponsored retirement plans and traditional or Rollover IRA accounts. That's because the IRS requires that you begin taking distributions from these types of accounts when you reach age 72 as for 2020. If you do not, the IRS may assess a 50% penalty on the amount you should have taken.

Note: New legislation allows individuals who did not turn 70 $1/2$ by the end of 2019 to take RMDs on April 1 of the year in which you turn age 72.

Two flexible distribution options for your IRA

When you need to draw on your IRA for income or take your RMDs, you will find two flexible options. Please note that distributions from your IRA are subject to income taxes and may be subject to penalties and other conditions if your are under 59 $1/2$.

- Partial withdrawals: Withdraw any amount from your IRA at any time. If you are age 72 or over, you will have to take at least enough from one or more IRAs to meet your annual RMD.
- Systematic withdrawal plans: Structure regular, automatic withdrawals from your IRA; choose the amount and frequency to meet your retirement income needs. If you are under age 59 $1/2$, you may be subject to a 10% early withdrawal penalty unless your withdrawal plan meets Code Section 72(t) rules discussed[19].

Note: New legislation allows individuals who did not turn 70 $1/2$ by the end of 2019 to take RMDs on April 1 of the year in which you turn age 72.

Your tax advisor can help you understand distribution options, determine RMD requirements, calculate RMDs, and set up a systematic withdrawal plan. Neither FSC nor its representatives provide tax or legal advice. Please consult your attorney or tax advisor for answers to your specific questions. Remember, The Retirement Group is not affiliated with MRK.

MRK Benefits Annual Enrollment

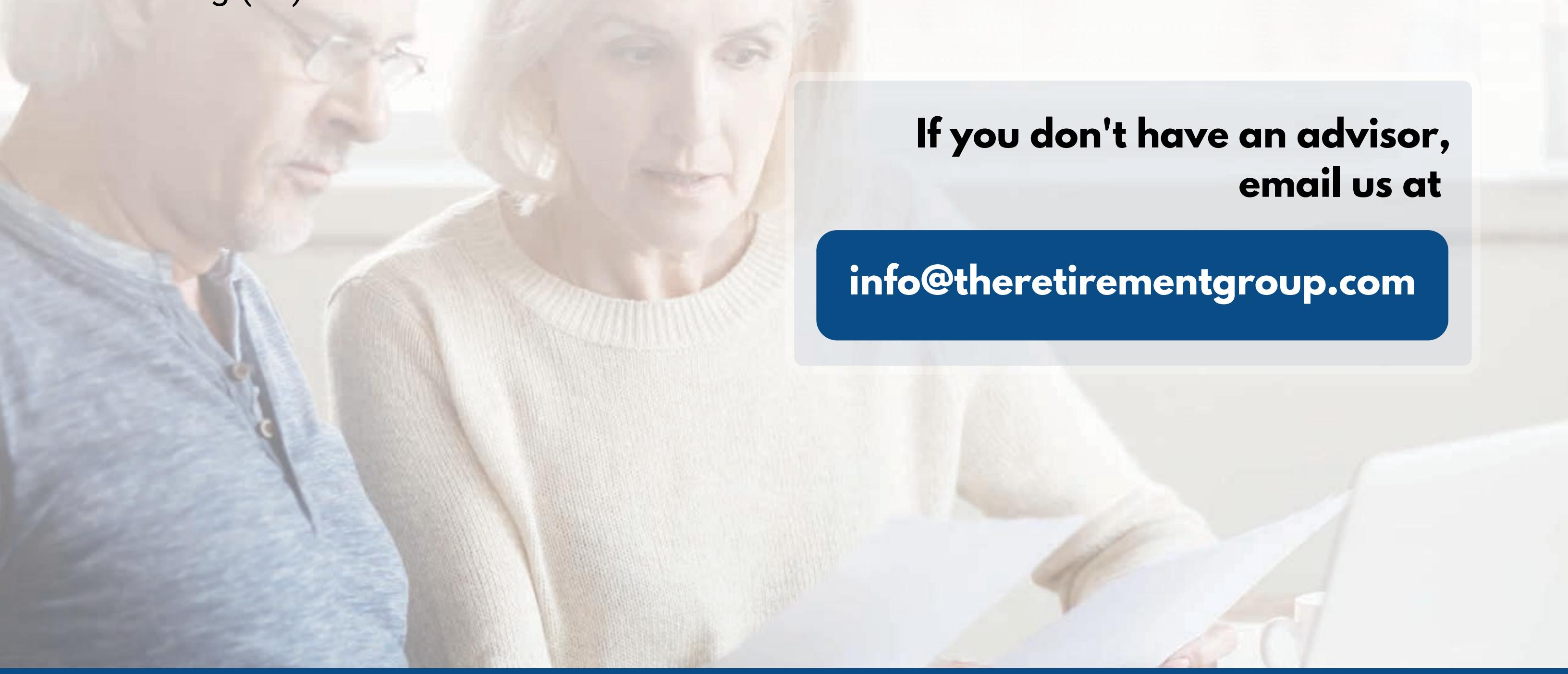
As stated in your MRK SPD (4), Annual enrollment for your MRK benefits usually occurs each fall (Ex. Oct. 24 - Nov. 15, 2019.). Before it begins, you will be mailed enrollment materials and an upfront confirmation statement reflecting your benefit coverage to the address on file. You'll find enrollment instructions and information about your benefit options and contribution amounts. You will have the option to keep the benefit coverage shown on your upfront confirmation statement or select benefits that better support your needs. You can choose to enroll in eBenefits and receive this information via email instead.

Next Step:

- Watch for your annual enrollment information in the September/November time frame.
- Review your benefits information and utilize the tools and resources available on the MRK Benefits Center website.
- Enroll in eBenefits.

Things to keep in mind :

- 47% of Americans cite health care as their greatest economic concern.(27)
- Medical bills are the No. 1 cause of bankruptcy in the United States. (28)
- For older Americans, healthcare costs represent the second-largest expense, behind housing.(29)



Moving to Merck's New Retirement Benefits Program

The following illustration shows the timing for the implementation of Merck's new Retirement Benefits Program, including the 2013-2019 transition period.

FOR SERVICE THROUGH 2012 → FOR SERVICE BETWEEN 2013-2019 → FOR SERVICE 2020 AND LATER

Current Program **through 12/31/12**

Legacy Retirement Plan

+

Legacy Savings Plan

+

Legacy Retiree Medical Plan

+

Legacy Retiree Dental Plan

New Program + Transition Provisions **1/1/13 through 12/31/19**

Greater of current final average pay formula or cash balance formula pension benefit

+

Savings plan with up to 4.5% of total pay in matching contributions

+

Merck-subsidized retiree medical coverage if you leave Merck at or after age 55 with 10 or more years of service earned after age 40[1]

or

Access to unsubsidized Merck-sponsored retiree medical coverage (you pay the full cost) if you leave Merck after age 50 with five or more years of service

+

Access to voluntary, unsubsidized dental coverage (provided through MetLife) if you leave Merck after age 50 with five or more years of service

New Program **starting 1/1/20**

Pension plan with cash balance formula

+

Savings plan with up to 4.5% of total pay in matching contributions

+

Merck-subsidized retiree medical coverage if you leave Merck and are at least age 55 with 10 or more years of service earned after age 40[1]

or

Access to unsubsidized Merck-sponsored retiree medical coverage if you leave Merck after age 50 with five or more years of service

+

Access to voluntary, unsubsidized dental coverage (provided through MetLife) if you leave Merck after age 50 with five or more years of service

Your Benefits - Health & Wellness

Medical:
- Depending on your geographic area, you may choose from a variety of medical plans that feature in-network only or both in and out-of-network benefits. Merck and its employees share the cost of healthcare benefits, with the company offering significant financial support.

Prescription Drug:
- All medical options (except the no coverage option) offer prescription drug coverage with retail and mail service options. You can save money by taking advantage of the program's mail-order service.

Vision:
- Optional coverage that offers significant benefits.

Dental:
- Features in-network or out-of-network benefits.

Health and Dependent Care Accounts:
- Optional pretax accounts that provide opportunities to set aside money to pay for certain healthcare and dependent day care expenses.

Short-Term & Long-Term Disability

Short-Term: Depending on where you work, you may have access to short-term disability (STD) benefits.

Long-Term: Your long-term disability (LTD) benefits are designed to provide you with income if you are absent from work for six consecutive months or longer due to an eligible illness or injury.

Your Benefits - What if your employment ends?

Your life insurance coverage and any optional coverage you purchase for your spouse/domestic partner and/or children ends on the date your employment ends, unless your employment ends due to disability. If you die within 31 days of your termination date, benefits are paid to your beneficiary for your basic life insurance, as well as any additional life insurance coverage you elected.

Note:

- You may have the option to convert your life insurance to an individual policy or elect portability on any optional coverage.
- If you stop paying supplementary contributions, your coverage will end.
- If you are at least 65 and you pay for supplemental life insurance, you should receive information in the mail from the insurance company that explains your options.
- Make sure to update your beneficiaries. See the SPD(4) for more details.

If you aren't sure about finances after a job loss, read our e-book

"How to Survive Financially after a Job Loss

MRK Beneficiary Designations

As part of your retirement and estate planning, it's important to name someone to receive
the proceeds of your benefits programs in the event of your death. That's how MRK will know whom to send your final compensation and benefits. This can include life insurance payouts and any pension or savings balances you may have.

Next Step:
When you retire, make sure that you update your beneficiaries. MRK has an Online Beneficiary Designation form for life events such as death, marriage, divorce, child birth, adoptions, etc.

Social Security

Identifying optimal ways to claim Social Security is essential to your retirement income planning. For many retirees, understanding and claiming Social Security can be difficult. Social Security benefits are not designed to be the sole source of your retirement income, but rather a part of your overall withdrawal strategy. Knowing the foundation of Social Security and using this knowledge to your advantage can help you claim your maximum benefit.

Year of Birth	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+	67

It is your responsibility to enroll in Medicare parts A and B when you first become eligible — and you must stay enrolled to have coverage for Medicare-eligible expenses. This applies to your Medicare eligible dependents as well.

You should know how your retiree medical plan choices or Medicare eligibility impact your plan options. Before you retire, click on our e-book "*Social Security*" (10) for more information , contact the U.S. Social Security Administration directly at (800) 772-1213, call your local Social Security Office or visit ssa.gov. They can help determine your eligibility, get you and/or your eligible dependents enrolled in Medicare or provide you with other government program information.

For more information on social security, read our e-book

"Social Security"

Next Step:
Check the status of your Social Security benefits before you retire. Contact the U.S. Social Security Administration by calling 800-772-1213. You can also call your local Social Security office or visit ssa.gov. Also review The Retirement Group e-book on *Social Security*(10).

If you or your dependents are currently or will become eligible for Medicare after you leave MRK, Medicare generally becomes the primary coverage for you or any of your dependents as soon as the individual becomes eligible for Medicare. This will affect your company-provided medical benefits. You and your Medicare-eligible dependents must enroll in Medicare Parts A and B when you first become eligible. Medical and MH/SA benefits payable under the company-sponsored plan will be reduced by the amounts Medicare Parts A and B would have paid whether you actually enroll in them or not. For details on coordination of benefits, refer to your summary plan description (SPD)(4).

If you or your eligible dependent do not enroll in Medicare Parts A and B, your provider can bill you for the amounts that are not paid by Medicare or your MRK medical plan, making your out-of-pocket expenses significantly higher.

According to the Employee Benefit Research Institute (EBRI), Medicare will only cover about 60% of an individual's medical expenses. This means a 65-year-old couple, with average prescription-drug expenses for their age, will need $259,000 in savings to have a 90% chance of covering their healthcare expenses. A single male will need $124,000 and a single female, thanks to her longer life expectancy, will need $140,000.

Projected annual Medicare costs for an individual: Part B and Part D premiums[13] >

Year	Age	Part B	Part D	Annual B+D
2020	65	$1,725	$871	$2,596
2030	75	$3,238	$1,636	$4,874
2040	85	$6,078	$3,070	$9,148

Next Step:
Get Medicare prescription drug information by visiting medicare.gov.

Check your SPD Summary(4) to see if you're eligible to enroll in Medicare Parts A and B (4). If you become Medicare eligible for reasons other than age, you must contact the MRK Benefits Center about your status.

How we can help:	Time to Retirement		
	Several Years	2 Years or Less	In Retirement
Familiarize you with individual healthcare plans	✔	✔	✔
Estimate your healthcare costs in retirement	✔	✔	✔
Design an overall retirement plan for you	✔	✔	✔
Incorporate healthcare costs into your plan	✔	✔	✔
Manage your plan to help you achieve your goals	✔	✔	✔
Explain the basics of Medicare		✔	✔
Familiarize you with the Medicare enrollment process			✔
Help you avoid coverage delays and possible penalties			✔

Divorced or Divorcing?

MRK and Divorce

Are you divorced or in the process of divorcing? Your former spouse(s) may have an interest in a portion of your MRK retirement benefits.

“Happily ever after” and “until death do us part” won’t happen for 28% of couples over the age of 50.3. Most couples saved together for decades, assuming they would retire together. After a divorce, they face the expenses of a pre-or post-retirement life, but with half their savings.(32)

What's required?

Before you can start your pension—and for each former spouse who may have an interest—you’ll need to provide MRK with the following documentation:

- A copy of the court-filed Judgment of Dissolution or Judgment of Divorce along with any Marital Settlement Agreement (MSA)
- A copy of the court-filed Qualified Domestic Relations Order (QDRO)

You’ll need to submit this documentation to the MRK online Pension Center regardless of how old the divorce or how short the marriage.

IMPORTANT: If you don’t provide MRK with the required documentation, your pension benefit could be delayed or suspended.

For more information on strategies for divorce individuals(20), read our e-book

"Strategies for Divorced Individuals"

Divorced or Divorcing?

Social Security and Divorce

You can apply for a divorced spouse's benefit if the following criteria are met:

- You are at least 62 years of age
- You were married for at least 10 years prior to the divorce
- You are currently unmarried
- Your ex-spouse is entitled to Social Security benefits
- Your own Social Security benefit amount is less than your spousal benefit amount, which is equal to one-half of what your ex's full benefit amount would be if claimed at Full Retirement Age (FRA)

Unlike with a married couple, your ex-spouse doesn't have to have filed for Social Security before you can apply for your divorced spouse's benefit, but this only applies if you've been divorced for at least two years and your ex is at least 62 years of age. If the divorce was less than two years ago, your ex must already be receiving benefits before you can file as a divorced spouse.

Divorce doesn't even disqualify you from survivor benefits. You can claim a divorced spouse's survivor benefit if the following are true:

- Your ex-spouse is deceased
- You are at least 60 years of age
- You were married for at least 10 years prior to the divorce
- You are single (or you remarried after age 60)

In the process of divorcing?

If your divorce isn't final before your retirement date, you're still considered married. You have two options:

- Retire before your divorce is final and elect a joint pension of at least 50% with your spouse—or get your spouse's signed, notarized consent to a different election
- Delay your retirement until after your divorce is final and you can provide the required divorce documentation

Survivor Checklist

What your survivor needs to do

- Report your death. Your spouse, a family member or even a friend should call the MRK Benefits Service Center as soon as possible to report your death.
- Collect life insurance benefits. Your spouse or other named beneficiary will need to call the MRK Benefits Service Center to collect life insurance benefits.

If you have a joint pension

- Start the joint pension payments. The joint pension is not automatic. Your joint pensioner will need to complete and return the paperwork from the MRK Pension Call Center to start receiving joint pension payments.
- Be prepared financially to cover living expenses. Your spouse will need to be prepared with enough savings to bridge at least one month between the end of your pension payments and the beginning of his or her own pension payments.

If your survivor has medical coverage through MRK

- Decide whether to keep medical coverage.
- If your survivor is enrolled as a dependent in MRK-sponsored retiree medical coverage when you die, he or she needs to decide whether to keep it. Survivors have to pay the full monthly premium.

Attend a Retirement Group Seminar on your MRK Pension Plan. Click here to reserve your spot!

Local Seminar RSVP

Life after MRK -- Why would I work?

FINANCIALLY: BENEFITS OF WORKING

Make up for Decreased Value of Savings or Investments.
Low interest rates have made it great for Lump Sums but harder to generate portfolio income. Some people continue to work to make up for poor performance of their savings and investments.

Maybe you took a MRK offer & left earlier than you wanted and less retirement savings than you needed.
Instead of drawing down savings, some decide to work a little longer to pay for extras you've always denied yourself in the past. See our e-book "*Early Retirement Offers*" (9) for more information.

Meet Financial Requirements of day-to-day living.
Expenses can increase during retirement and working can be a logical and effective solution to this problem.

Keep Insurance or Benefits
You may choose to continue working in order to keep your insurance or other benefits. Many employers offer free to low cost health insurance, for part-time workers.

EMOTIONALLY: BENEFITS OF WORKING

Staying Active and Involved
Retaining employment, even if it's just part-time, can be a great way to use the skills you've worked so hard to build over the years and keep up with friends and colleagues.

Enjoy Yourself at Work.
Just because the government has set a retirement age with its Social Security program doesn't mean you have to schedule your own life in such a manner. Many people genuinely enjoy their employment and continue working because their jobs enrich their lives.

A New Job Opportunity comes along.
You might find yourself with very tempting job opportunities at a time when you thought you'd be withdrawing from the workforce.

Notes: Assumes assets are 60% in stocks and 40% in bonds and withdrawals increase each year with inflation. Source: David Blanchett, Morningstar

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For more resources

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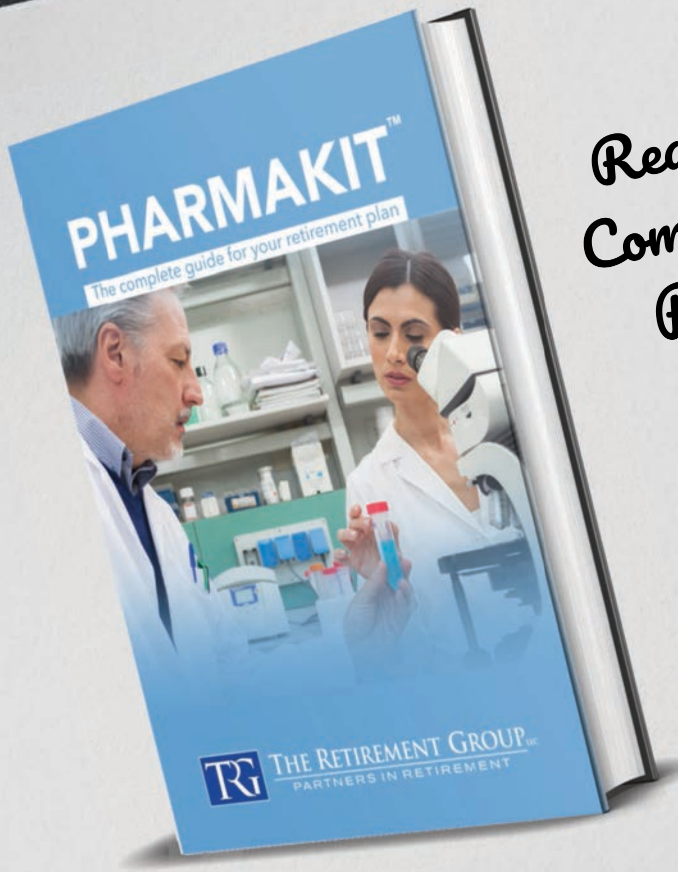

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