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How retirement savvy are you?

Take our first-of-its-kind retirement fluency and longevity literacy quiz to see how your knowledge compares to the 2,100 401(k) participants surveyed by Nuveen and the TIAA Institute. The questions below cover key retirement topics including 401(k) saving and withdrawals, Social Security, Medicare, long-term care and life expectancy.

This quiz will not only gauge your retirement knowledge, but it will also help identify opportunities where targeted education, employer tools and resources, and 401(k) plan design could strengthen participant understanding and confidence to achieve better retirement outcomes.

The correct answers follow the questions and include the percentage of respondents who chose each.

Good luck!



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Retirement fluency

Social Security

- 1. Which statement about Social Security retirement benefits is not true?**
 - A. Social Security replaces about 60% of pre-retirement income for someone with average career earnings
 - B. Social Security retirement benefit payments are adjusted each year to keep pace with inflation
 - C. You may owe federal income tax on some of your Social Security benefits depending on how much other income you have in retirement
 - D. Don't know
- 2. Cam started taking his Social Security retirement benefits at age 62. How much larger would his monthly payments be if he had waited until age 70?**
 - A. About 25% larger
 - B. About 50% larger
 - C. About 75% larger
 - D. Don't know
- 3. How are Social Security retirement benefit amounts primarily determined?**
 - A. Based on the 35 years when your earnings were highest
 - B. Based on the 5 consecutive years when your earnings were highest
 - C. Based on your final 10 years of work before retirement
 - D. Don't know

Medicare

- 4. Which statement about Medicare is true?**
 - A. Basic Medicare (Parts A and B) covers regular doctor visits and inpatient hospital care, as well as emergency room visits
 - B. Medicare prescription drug coverage (Part D) helps pay for generic drugs, but not brand-name drugs
 - C. Basic Medicare (Parts A and B) covers dental check-ups and routine eye exams
 - D. Don't know
- 5. How much of the cost for covered doctor visits and medical services does Medicare Part B typically pay once someone has met their annual deductible?**
 - A. 100% (Medicare pays everything)
 - B. 80%
 - C. 60%
 - D. Don't know
- 6. What happens if you don't sign up for Medicare Part B when you become eligible at age 65 and you don't have other qualifying health insurance (like from an employer)?**
 - A. Nothing – you can sign up later with no penalty
 - B. You will pay permanently higher premiums when you do sign up
 - C. You cannot sign up for Medicare Part B later
 - D. Don't know

401(k) saving and withdrawals

- 7. Latisha plans to save \$2,000 for retirement this year. Her employer offers a 401(k) plan that matches 100% of employee contributions, up to \$5,000 per year. Which choice would give her the most money by the end of the year?**
- A. Putting \$2,000 in her employer's 401(k) plan, where it earns a 5% return during the year
 - B. Putting \$2,000 in an IRA (individual retirement account) outside her job, where it earns a 5% return during the year
 - C. Both options would give her the same amount by year-end
 - D. Don't know
- 8. John contributed \$2,000 to a Roth IRA this year. Which statement is true?**
- A. He pays income tax on the \$2,000 this year, but he will pay no tax on the \$2,000 and any investment earnings when withdrawn in retirement
 - B. He pays income tax on the \$2,000 this year, and then he'll pay tax on only the investment earnings when withdrawn in retirement
 - C. He does not pay income tax on the \$2,000 this year, but he will pay income tax on the \$2,000 and any investment earnings when withdrawn in retirement
 - D. Don't know
- 9. Paul has been making regular payments on a loan from his 401(k) plan. He is about to start a new job with a new employer. How can he continue to make loan payments?**
- A. His former employer's plan will allow him to continue making payments
 - B. He must roll over his 401(k) to an IRA, then he can continue making payments
 - C. He cannot. An outstanding 401(k) loan must be repaid in full when leaving an employer or it is treated as a taxable distribution
 - D. Don't know
- 10. Emily just retired at age 60 with a 401(k) funded by pre-tax contributions. When can she begin withdrawing money from her 401(k) without an early withdrawal penalty?**
- A. Now
 - B. When she reaches age 62
 - C. When she reaches age 65
 - D. Don't know
- 11. Paul is thinking about buying an annuity with money in his 401(k) to provide himself with monthly income during retirement. Which statement is true?**
- A. You are not allowed to use more than 50% of the money in a 401(k) to buy an annuity
 - B. You are allowed to buy an annuity with money in a 401(k) during the first five years of retirement, but not after that
 - C. You are allowed to buy more than one annuity over time with money in a 401(k)
 - D. Don't know
- 12. Hank just retired at age 62 with a 401(k) funded by pre-tax contributions. Which statement is true?**
- A. If he never needs the money, he never has to take withdrawals from his 401(k)
 - B. He must begin taking withdrawals when he begins receiving Social Security
 - C. He must begin taking withdrawals by age 75
 - D. Don't know

Long-term care

- 13. What percentage of 65-year-olds will need some type of long-term care in their lifetime to help with daily activities like bathing and eating?**
- A. About 30%
 - B. About 50%
 - C. About 70%
 - D. Don't know
- 14. Jean is 80 years old, has \$200,000 in savings, and receives Social Security benefits. She needs a home aide to help her with bathing and meals. Who will pay for this long-term care?**
- A. Medicare pays for 2 years, then Medicaid pays after that
 - B. Jean pays until she spends \$100,000, then Medicaid pays after that
 - C. Jean pays as long as she has the money to do so
 - D. Don't know
- 15. Where do most people who need long-term care services receive that care?**
- A. In nursing homes
 - B. In their own homes
 - C. In assisted living facilities
 - D. Don't know

Longevity literacy

- 16. On average in the U.S., how long will a 65-year-old man/woman live?**
- A. About 14 more years (age 79)/ about 17 more years (age 82)
 - B. About 19 more years (age 84)/ about 22 more years (age 87)
 - C. About 24 more years (age 89)/ about 27 more years (age 92)
 - D. Don't know

Answers

Correct answers and the percentage of 401(k) participants who chose each appear below.

Social Security

1. **Which statement about Social Security retirement benefits is not true?**
 - A. Social Security replaces about 60% of pre-retirement income for someone with average career earnings [35%]
2. **Cam started taking his Social Security retirement benefits at age 62. How much larger would his monthly payments be if he had waited until age 70?**
 - C. About 75% larger [14%]
3. **How are Social Security retirement benefit amounts primarily determined?**
 - A. Based on the 35 years when your earnings were highest [38%]



What it means for plan sponsors

If participants lack a clear understanding of when to claim Social Security and how benefits are calculated, it can significantly affect their retirement outcomes. Employers can help by providing interactive tools like Social Security calculators and benefits guides in addition to education on the basics of this critical topic.

Medicare

4. **Which statement about Medicare is true?**
 - A. Basic Medicare (Parts A and B) covers regular doctor visits and inpatient hospital care, as well as emergency room visits [46%]
5. **How much of the cost for covered doctor visits and medical services does Medicare Part B typically pay once someone has met their annual deductible?**
 - B. 80% [34%]
6. **What happens if you don't sign up for Medicare Part B when you become eligible at age 65 and you don't have other qualifying health insurance (like from an employer)?**
 - B. You will pay permanently higher premiums when you do sign up [32%]



What it means for plan sponsors

The Medicare landscape can be confusing, and unfortunately, many workers aren't familiar with the fundamentals. By offering guidance to employees, especially those who are nearing retirement, employers can keep participants up-to-date on Medicare policies and practices to help maximize their benefits and reduce expenses.

401(k) saving and withdrawals

7. **Latisha plans to save \$2,000 for retirement this year. Her employer offers a 401(k) plan that matches 100% of employee contributions, up to \$5,000 per year. Which choice would give her the most money by the end of the year?**
 - A. Putting \$2,000 in her employer's 401(k) plan, where it earns a 5% return during the year [47%]
8. **John contributed \$2,000 to a Roth IRA this year. Which statement is true?**
 - A. He pays income tax on the \$2,000 this year, but he will pay no tax on the \$2,000 and any investment earnings when withdrawn in retirement [36%]
9. **Paul has been making regular payments on a loan from his 401(k) plan. He is about to start a new job with a new employer. How can he continue to make loan payments?**
 - C. He cannot. An outstanding 401(k) loan must be repaid in full when leaving an employer or it is treated as a taxable distribution [25%]
10. **Emily just retired at age 60 with a 401(k) funded by pre-tax contributions. When can she begin withdrawing money from her 401(k) without an early withdrawal penalty?**
 - A. Now [28%]
11. **Paul is thinking about buying an annuity with money in his 401(k) to provide himself with monthly income during retirement. Which statement is true?**
 - C. You are allowed to buy more than one annuity over time with money in a 401(k) [21%]
12. **Hank just retired at age 62 with a 401(k) funded by pre-tax contributions. Which statement is true?**
 - C. He must begin taking withdrawals by age 75 [30%]



What it means for plan sponsors

Participants' understanding of key 401(k) saving and withdrawal considerations can significantly influence their retirement outcomes. Employers can help close knowledge gaps on various topics, including annuities, by offering targeted education and interactive tools tailored to each participant's unique situation.

Long-term care

13. **What percentage of 65-year-olds will need some type of long-term care in their lifetime to help with daily activities like bathing and eating?**
 - C. About 70% [27%]
14. **Jean is 80 years old, has \$200,000 in savings, and receives Social Security benefits. She needs a home aide to help her with bathing and meals. Who will pay for this long-term care?**
 - C. Jean pays as long as she has the money to do so [30%]
15. **Where do most people who need long-term care services receive that care?**
 - B. In their own homes [23%]



What it means for plan sponsors

A lack of preparation for long-term care expenses can create substantial financial strain for retirees. Employers can play a key role by providing savings tools and educational resources. Furthermore, they can enhance their 401(k) plan menu to include target date funds and lifetime income options that help participants manage their savings and build long-term financial resilience.

Longevity literacy

16. On average in the U.S., how long will a 65-year-old man/woman live?

- ✓ B. About 19 more years (age 84)/about 22 more years (age 87) [33%]



What it means for plan sponsors

Many participants lack a clear understanding of how long their retirement may last, making it challenging to determine sustainable spending while maintaining their desired quality of life. Plan sponsors can help address this uncertainty by offering lifetime income options that provide a reliable, guaranteed income stream throughout retirement.

About the TIAA Institute

Since 1998, the TIAA Institute has helped advance the ways individuals and institutions plan for financial security and organizational effectiveness. The Institute conducts in-depth research, provides access to a network of thought leaders and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. To learn more, visit tiaainstitute.org.

About Nuveen

Nuveen, the investment manager of TIAA, offers a comprehensive range of outcome-focused investment solutions designed to secure the long-term financial goals of institutional and individual investors. Nuveen has \$1.4 trillion in assets under management as of December 31, 2025, and operations in over 25 countries. Its investment specialists offer deep expertise across a comprehensive range of traditional and alternative investments through a wide array of vehicles and customized strategies. For more information, please visit nuveen.com.

For more information, visit nuveen.com/participant-perspectives-2026.

Endnotes

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