



Securing Your Retirement

Social Security

Presented by:

The Society for Financial Awareness

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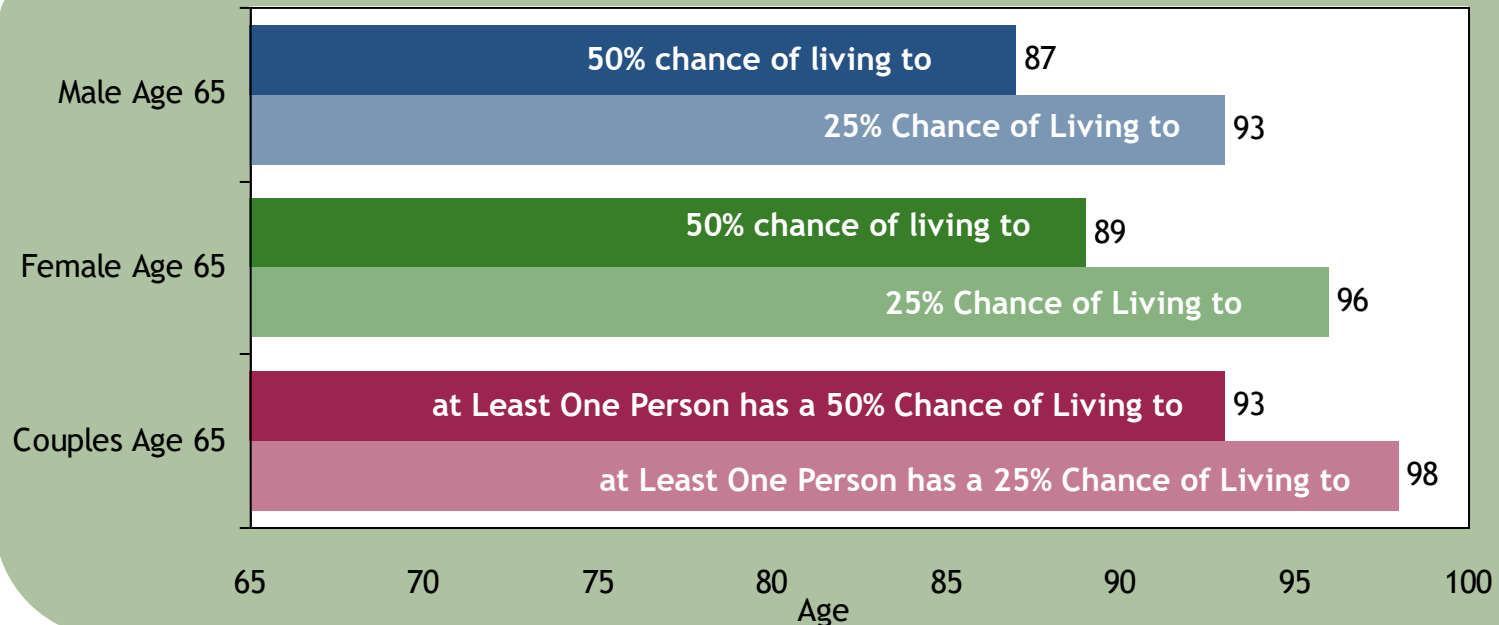


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Securing Your Retirement

● Living Longer

Life Expectancy Upon Retirement at Age 65

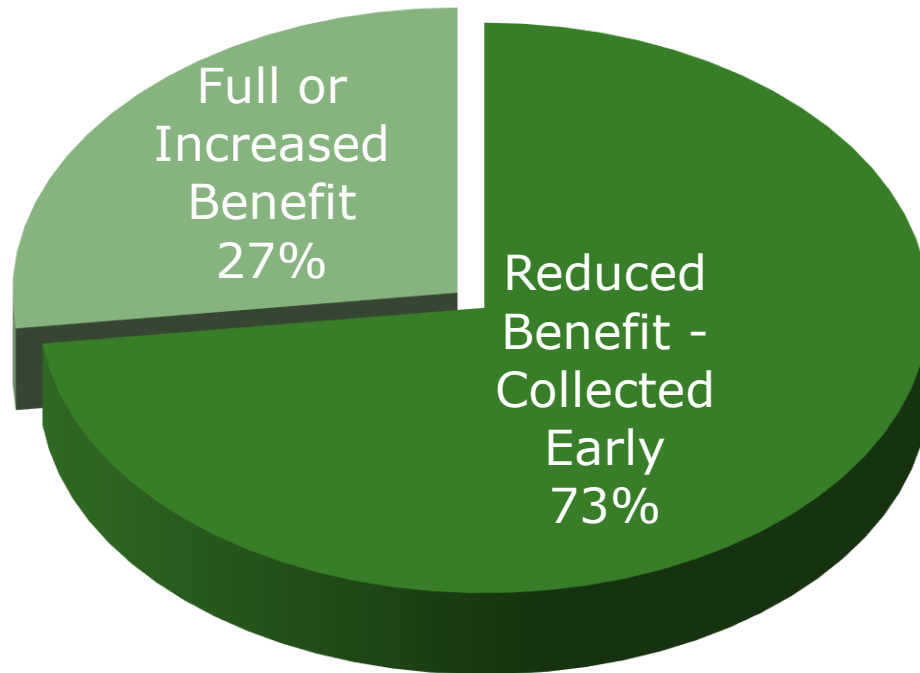


A healthy 65-year-old female has a 50% chance of living until age 89 or 24 more years

Source: Society of Actuaries' Annuity RP-2014 Total Healthy Annuitant rates, Scale MP-2014. Figures assume you are in good health.

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- But Still Collecting Early



Source: Social Security Administration's Annual Statistical Supplement, 2014.



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Rules of Retirement Benefits

Individual Benefits

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● Individual Benefits

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1986	578	578
1987	1,427	1,427
1988	2,534	2,534
1989	4,215	4,215
1990	5,813	5,813
1991	7,199	7,199
1992	9,045	9,045
1993	11,245	11,245
1994	13,585	13,585
1995	15,378	15,378
1996	18,155	18,155
1997	20,718	20,718
1998	23,177	23,177
1999	25,703	25,703
2000	28,197	28,197
2001	29,851	29,851
2002	30,982	30,982
2003	32,430	32,430
2004	34,617	34,617
2005	36,544	36,544
2006	38,822	38,822
2007	41,162	41,162
2008	42,601	42,601
2009	42,492	42,492
2010	Not yet recorded	Not yet recorded

Best 35 Years

Your Estimated Benefits

*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.....	\$ 1,554 a month
	age 70, your payment would be about.....	\$ 1,938 a month
	age 62, your payment would be about.....	\$ 1,072 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....	\$ 1,419 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.....	\$ 1,107 a month
	Your spouse who is caring for your child.....	\$ 1,107 a month
	Your spouse, if benefits start at full retirement age.....	\$ 1,477 a month
	Total family benefits cannot be more than.....	\$ 2,720 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of \$255.	

...\$ 1,554 a month
...\$ 1,938 a month
...\$ 1,072 a month

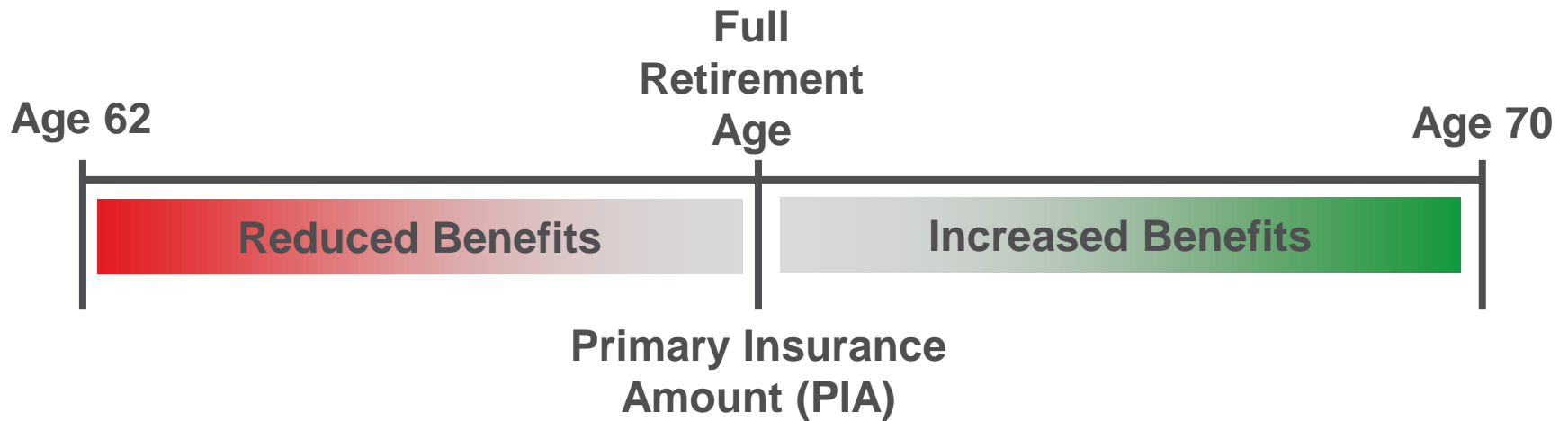
Source: Social Security Administration (www.ssa.gov)

Online Statements or Retirement Estimator

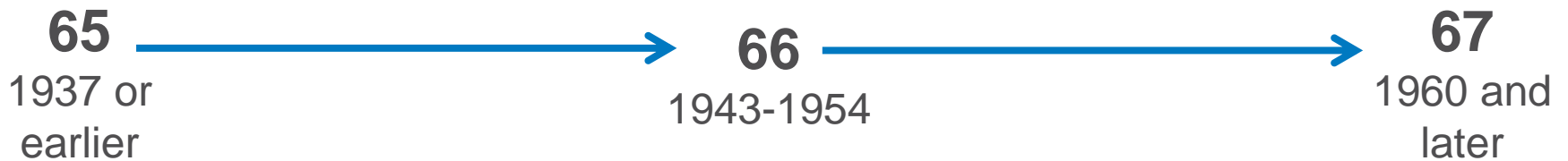
www.ssa.gov

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● The Tradeoff for Individual Benefits

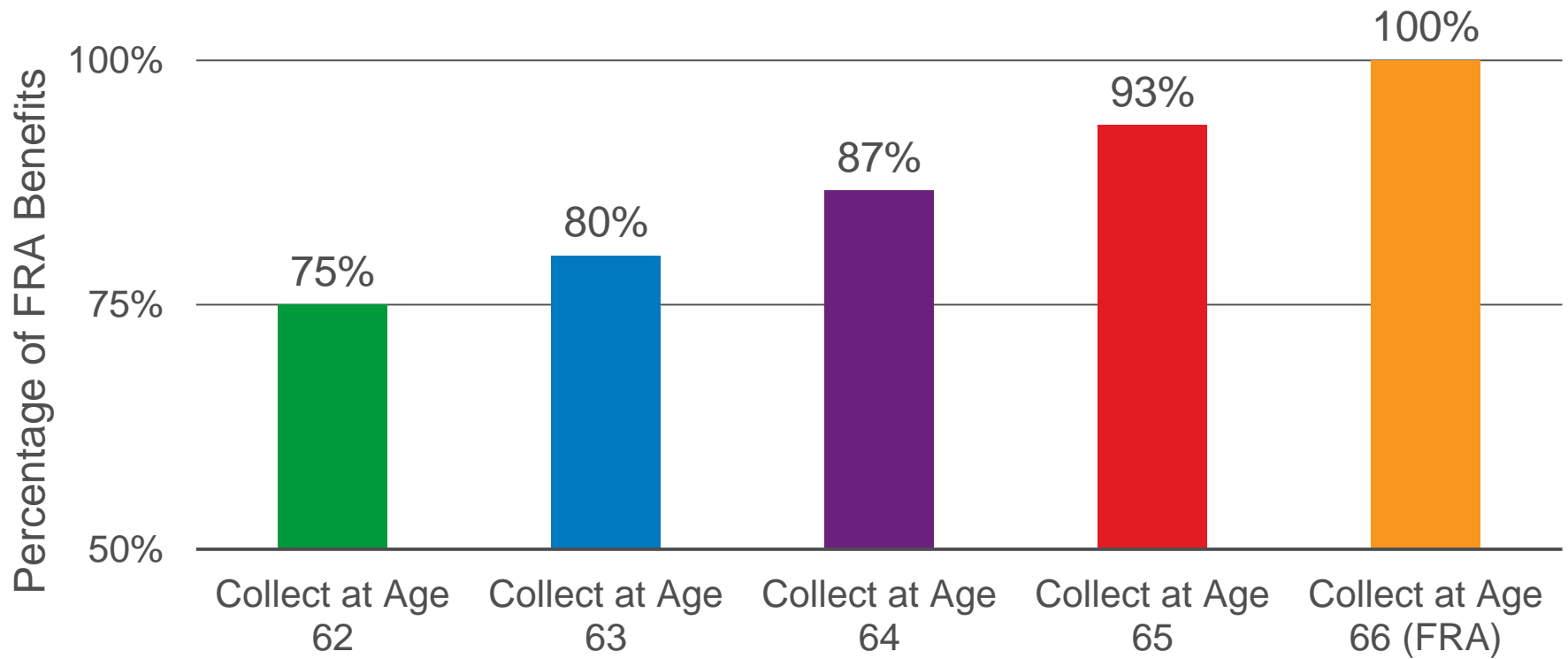


Full Retirement Age (FRA)




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● Cost of Collecting Early



Source: Social Security Administration; SSA.gov.



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● Collecting Early: Consider These Questions

Working

- ▶ Is the individual actually retiring?
- ▶ Will the individual work, even part-time, before FRA?

Longevity

- ▶ How is the individual's health?
- ▶ Is there an expectation of longevity?

Spouse

- ▶ Is the individual married?
- ▶ What is the age difference between spouses?
- ▶ Whose benefits can the spouse collect?



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- Collecting Early: Continuing to Work

2018 Retirement Earnings Limit

Your Age	2018 limit	What Happens Above the Limit
Under FRA	\$17,040/year	\$1 of benefits withheld per \$2 of earnings above limit
Year reach FRA	\$45,360/year	\$1 of benefits withheld per \$3 in earnings above limit for months prior to reaching FRA
Month reach FRA and beyond	None	Nothing

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● Changing Your Mind

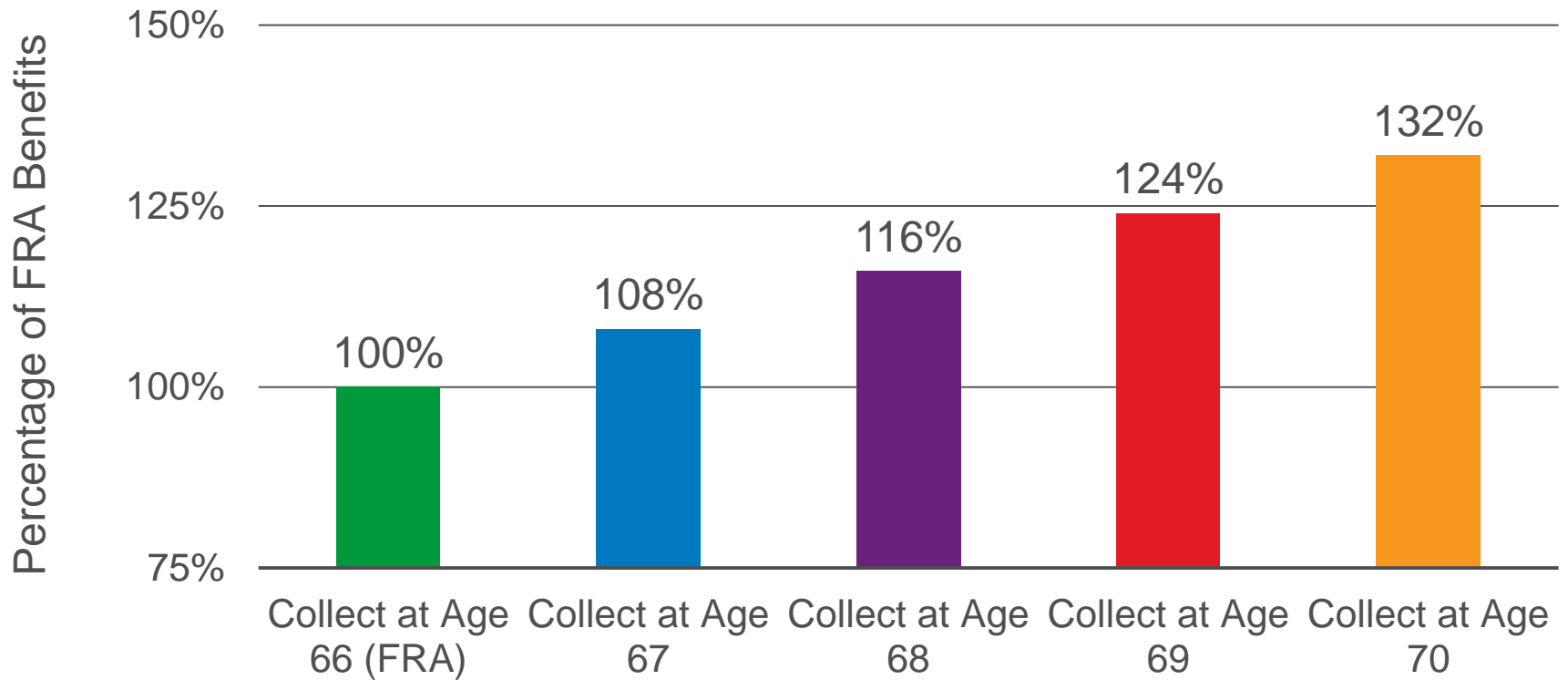
SOCIAL SECURITY ADMINISTRATION		Form Approved TOE 420 OMB No. 0960-0015	
REQUEST FOR WITHDRAWAL OF APPLICATION			Do not write in this space
<p>IMPORTANT NOTICE.— This is a request to cancel your application. If it is approved, the decision we made on your application will have no legal effect, all rights attached to an application, including the rights of reconsideration, hearing, and appeal will be forfeited, and any payments we made to you or anyone else on the basis of that application will have to be returned. You must then reapply if you want a determination of your Social Security rights at any time in the future but any subsequent application may not involve the same retroactive period. This procedure is intended to be used only when your decision to file has resulted, or will result, in a disadvantage to you. Your local Social Security office will be glad to explain whether, and how, this procedure will help you.</p>			
NAME OF WAGE EARNER, SELF-EMPLOYED INDIVIDUAL, OR ELIGIBLE INDIVIDUAL		SOCIAL SECURITY NUMBER	
PRINT YOUR NAME (First name, middle initial, last name)		DATE OF APPLICATION	TYPE OF BENEFIT
		TYPE OF APPLICATION	
<p>I hereby request the withdrawal of my application, dated as above, for the reasons stated below. I understand that (1) this request may not be cancelled after 60 days from the mailing of notice of approval; and (2) if a determination of my entitlement has been made, there must be repayment of all benefits paid on the application I want withdrawn, and all other persons whose benefits would be affected must consent to this withdrawal. I further understand that the application withdrawn and all related material will remain a part of the records of the Social Security Administration and that this withdrawal will not affect the proper crediting of wages or self-employment income to my Social Security earnings record.</p>			
Give reason for withdrawal. (If you need more space, use the reverse of this form.)			
<p>1. <input type="checkbox"/> I intend to continue working. (I have been advised of the alternatives to withdrawal for applicants under full retirement age and still wish to withdraw my application.)</p> <p>2. <input type="checkbox"/> Other (Please explain fully): _____</p> <p>_____</p> <p>_____</p>			
			<input type="checkbox"/> Continued on reverse
SIGNATURE OF PERSON MAKING REQUEST			
Signature (First name, middle initial, last name) (Write in ink)		Date (Month, day, year)	
SIGN HERE ▶		Telephone Number (include area code)	
Mailing Address (Number and Street, Apt. No., P.O. Box, or Rural Route)			
City and State	ZIP Code	Enter Name of County (if any) in which you now live	
<p>Witnesses are required ONLY if this request has been signed by mark (X) above. If signed by mark (X), two witnesses to the signing who know the person making the request must sign below, giving their full addresses.</p>			
1. Signature of Witness		2. Signature of Witness	
Address (Number and Street, City, State and ZIP Code)		Address (Number and Street, City, State and ZIP Code)	
FOR USE OF SOCIAL SECURITY ADMINISTRATION			
<input type="checkbox"/> APPROVED	<input type="checkbox"/> NOT APPROVED BECAUSE _____	<input type="checkbox"/> BENEFITS NOT REPAID	<input type="checkbox"/> CONSENT(S) NOT OBTAINED
		<input type="checkbox"/> OTHER (Attach special determination)	
SIGNATURE OF SSA EMPLOYEE		TITLE	DATE
		<input type="checkbox"/> CLAIMS AUTHORIZER	<input type="checkbox"/> OTHER (Specify)

Source: Social Security Administration; SSA.gov.

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- Collecting Late: The Guaranteed Increase

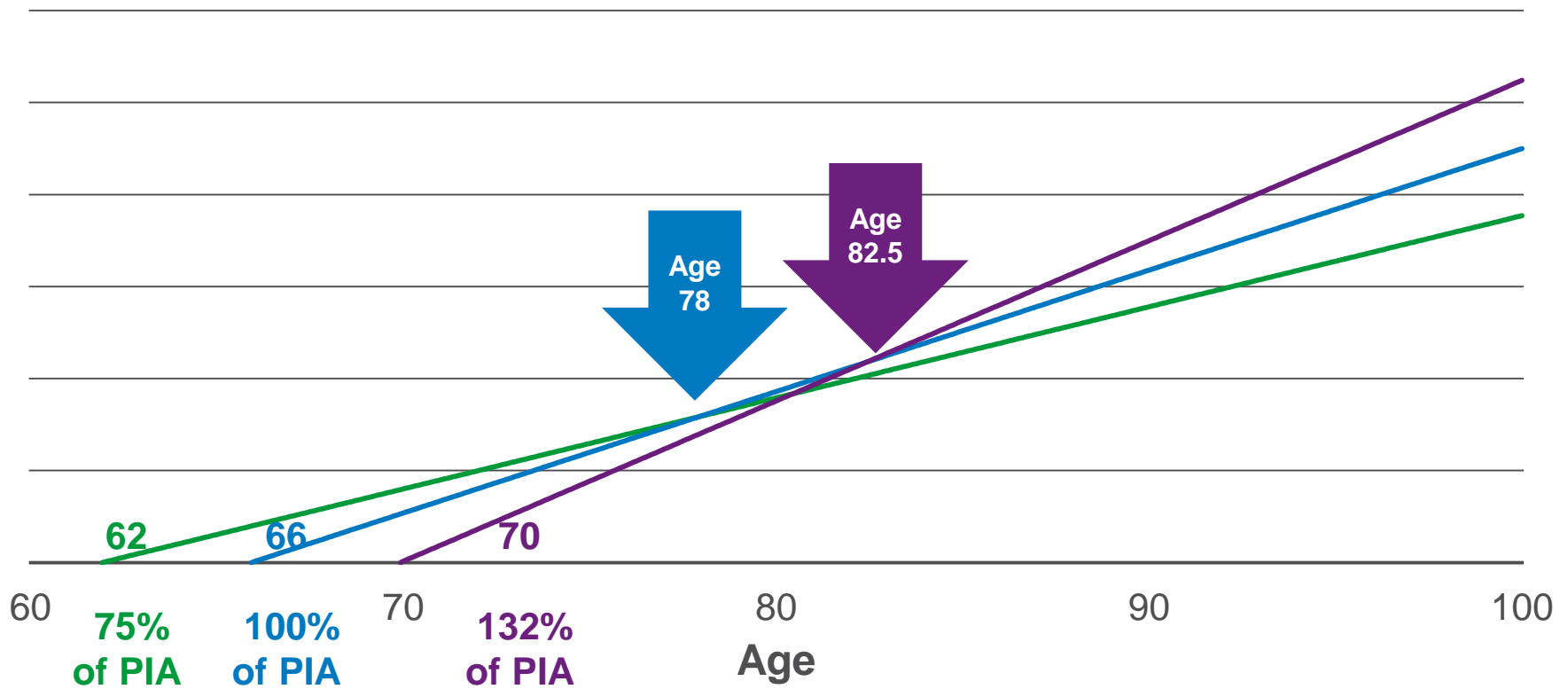
Increases for Collecting Late



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● A Question of Longevity

Break Even Analysis





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Spousal and Survivor Benefits

RULES OF RETIREMENT BENEFITS

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● Spousal Benefits - Amount

Jordan

PIA:
\$2,200

50% x \$2,200

\$1,100

Alex

PIA: \$0

Age 62

FRA

Age 70

Jordan

Collect - \$2,200

Alex

Collect Spousal- \$1,100

Securing Your Retirement

● Spousal Benefits - Amount

Jordan
PIA:
\$2,200

50% x \$2,200
\$1,100

Alex
PIA: \$0

Age 62

FRA

Age 70

Jordan

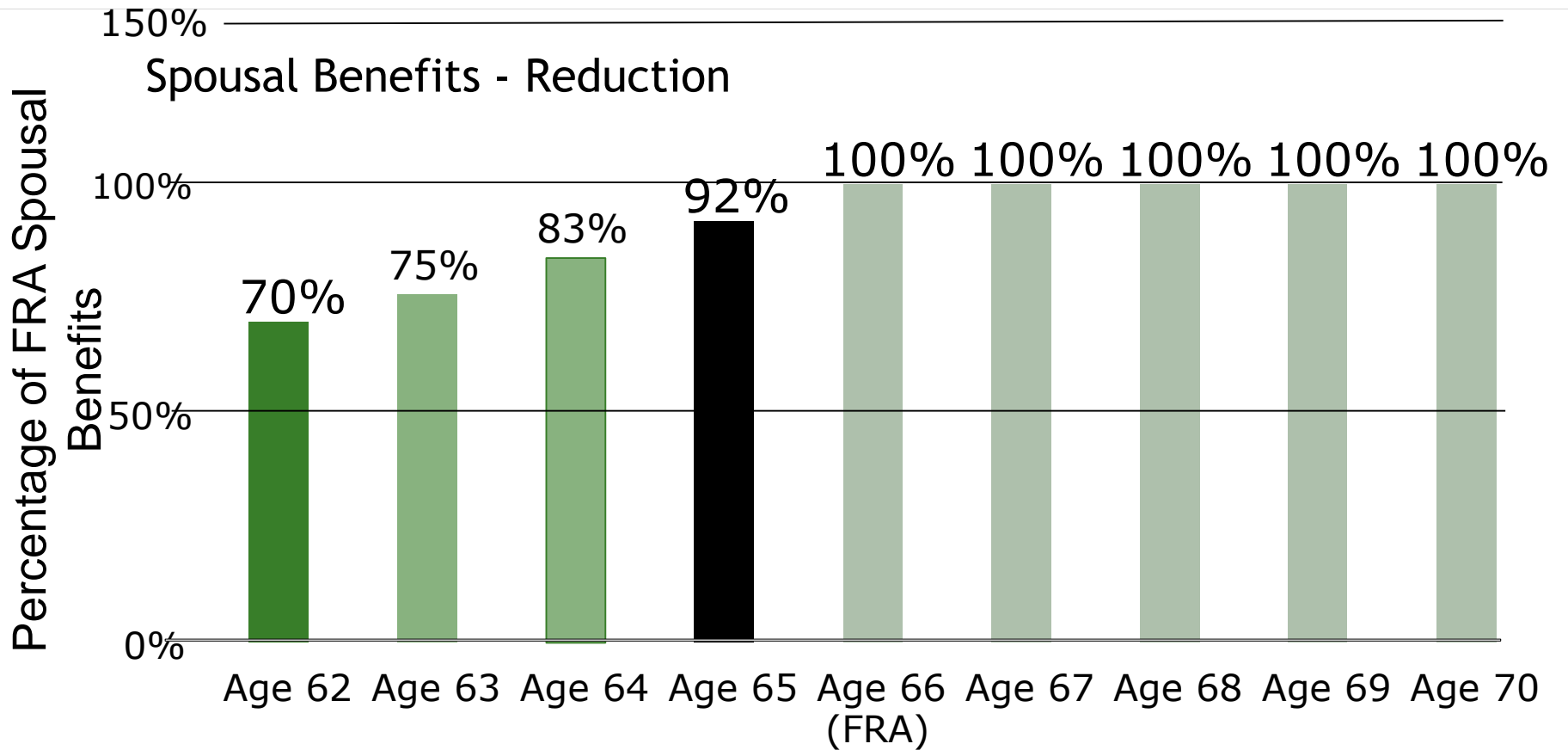
Collect - \$1,650

Alex

Collect Spousal- \$1,100

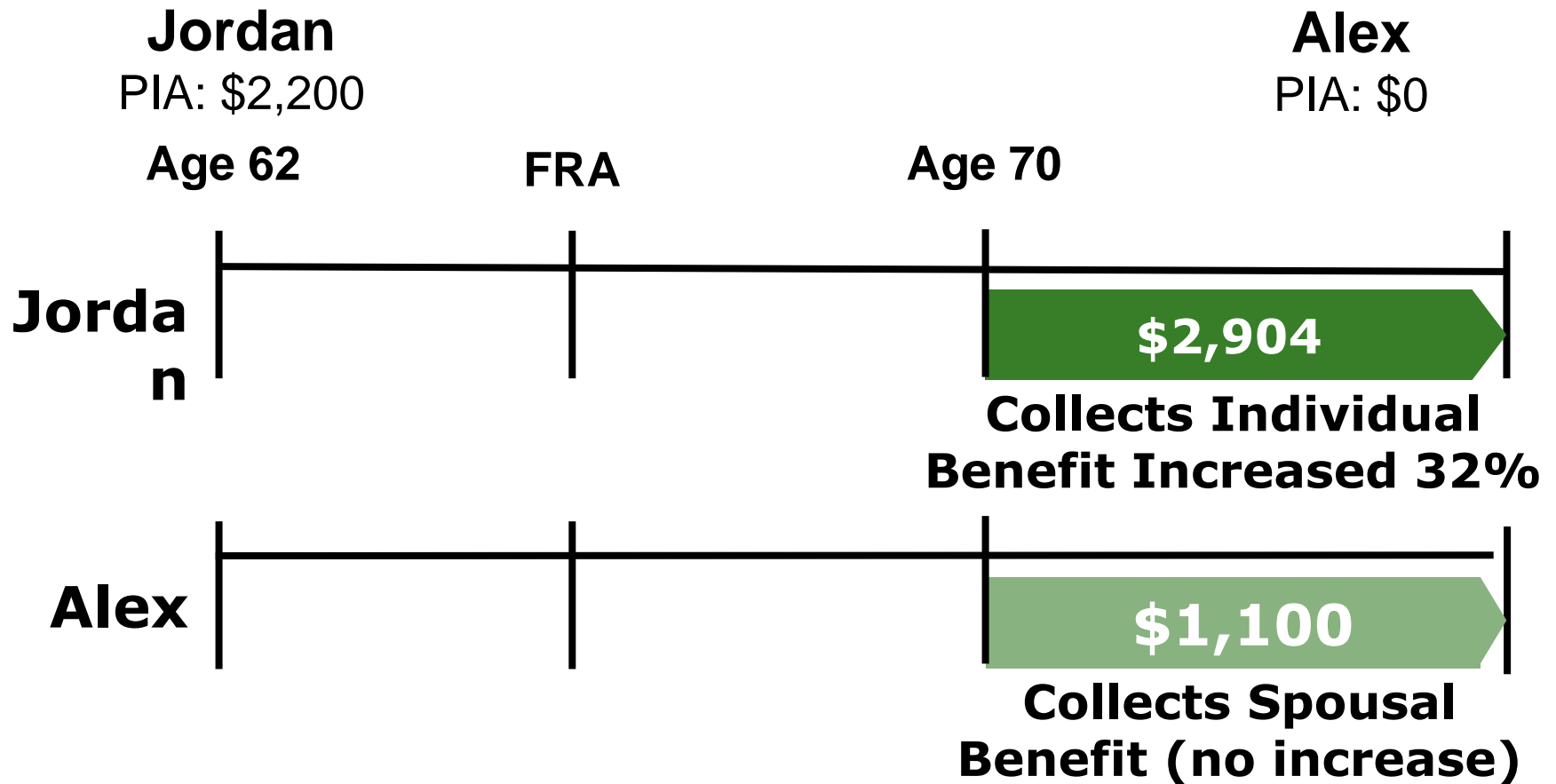
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● Maximum Spousal Benefit Amount



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● Spousal Benefits - Eligibility



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● Spousal Benefits - Eligibility

Jordan

PIA: \$2,200

Age 62

FRA

Age 70

Alex

PIA: \$0

Jordan

\$1,650

**Collects Individual
Benefit Reduced 25%**

Alex

\$770

**Collects Spousal
Benefit Reduced 30%**



Securing Your Retirement

● Spousal Benefits - File & Suspend

Jordan

PIA: \$2,200

Age 62

FRA

Age 70

Alex

PIA: \$0

Jordan



**Files & Suspend
Individual Benefit**

**Collects Individual
Benefit Increased 32%**

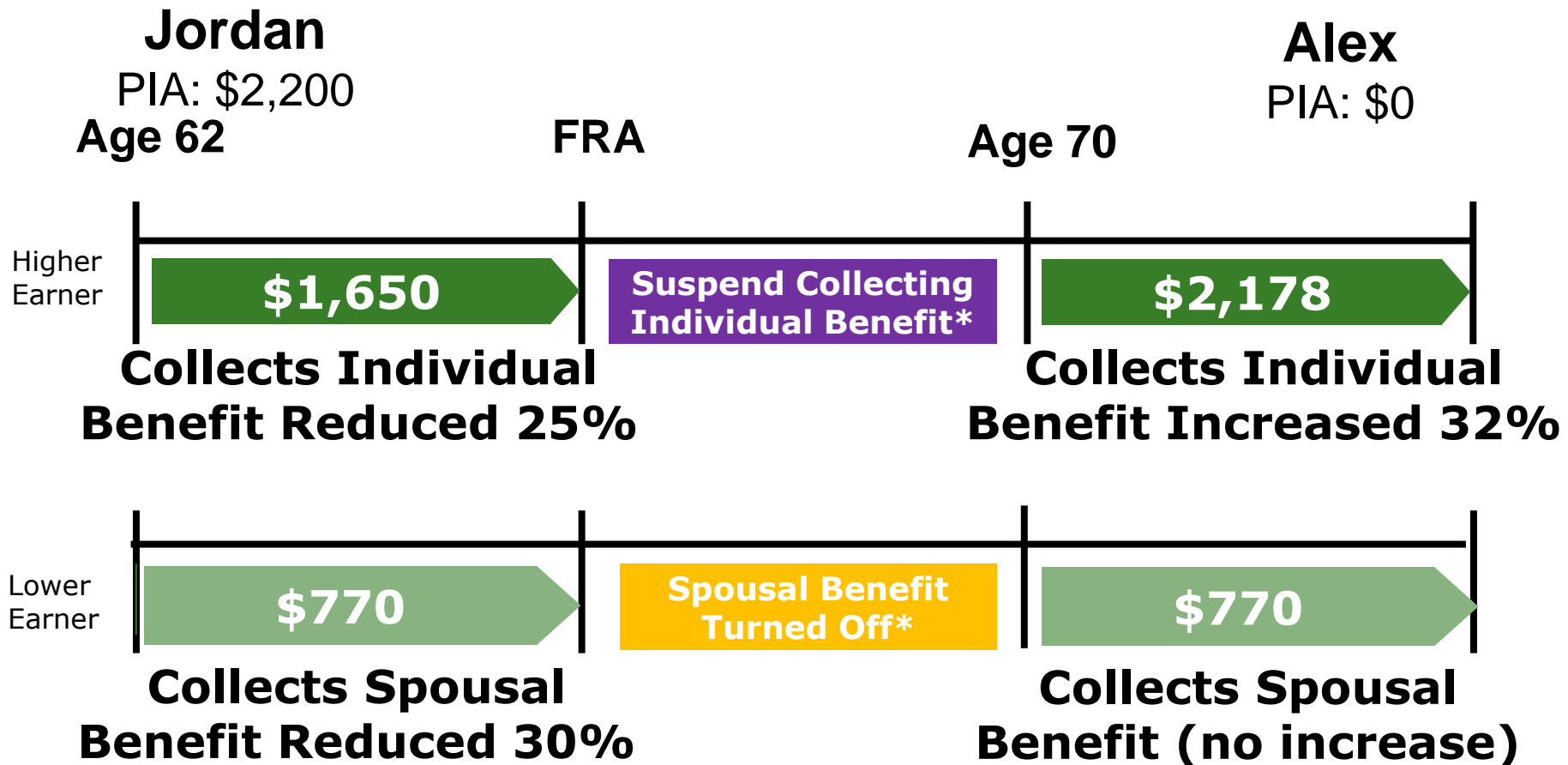
Alex



**Collects Spousal
Benefit**

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- Suspending Benefits is Still an Option (With New Consequences)



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- Suspending Benefits - Lump Sum Option Eliminated

FRA

Age 69

Jordan PIA: \$2,200



**Asks for Retroactive
Payments**



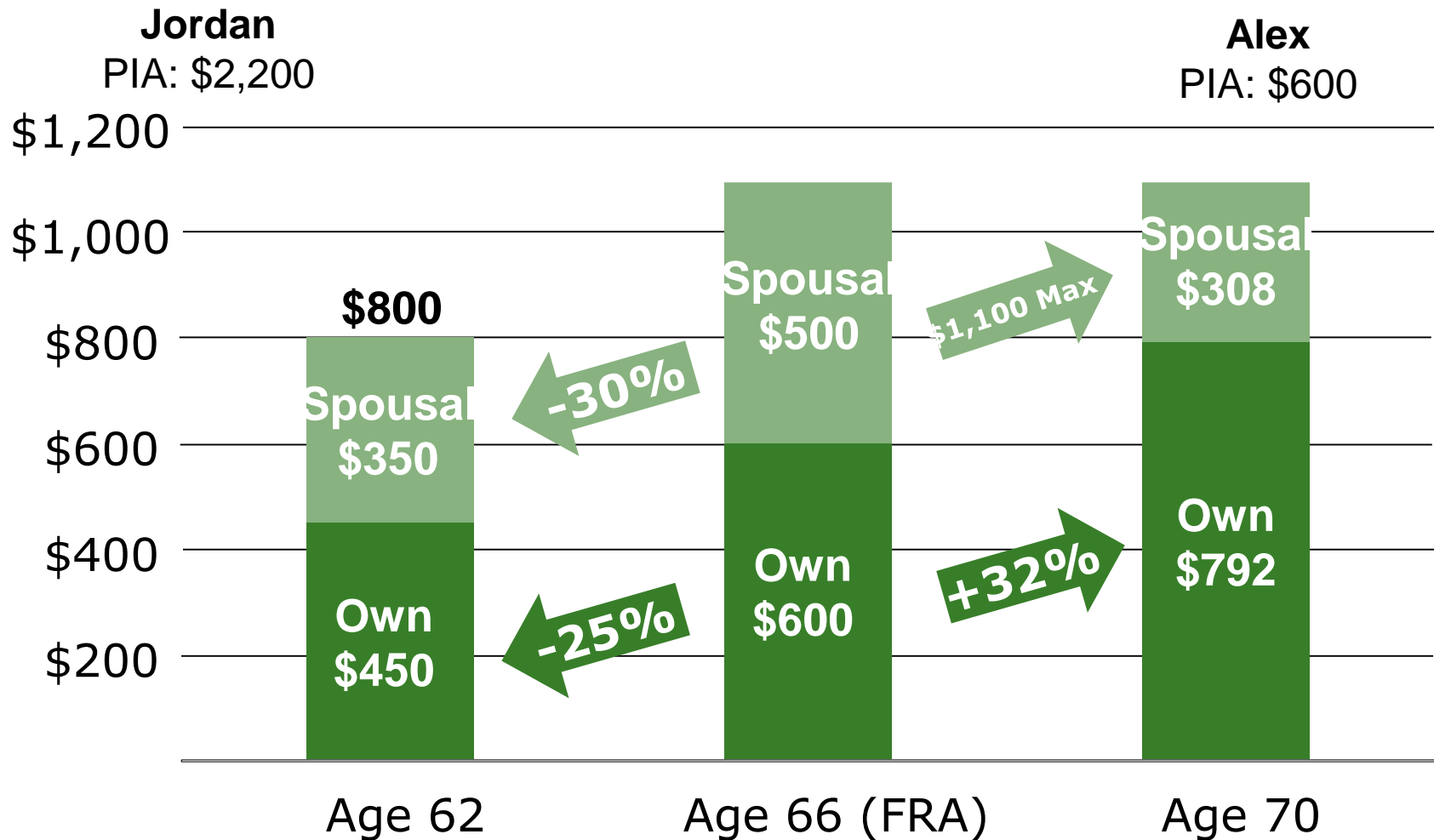
Lump Sum

Equal to three years of suspended payments
~ 79,200



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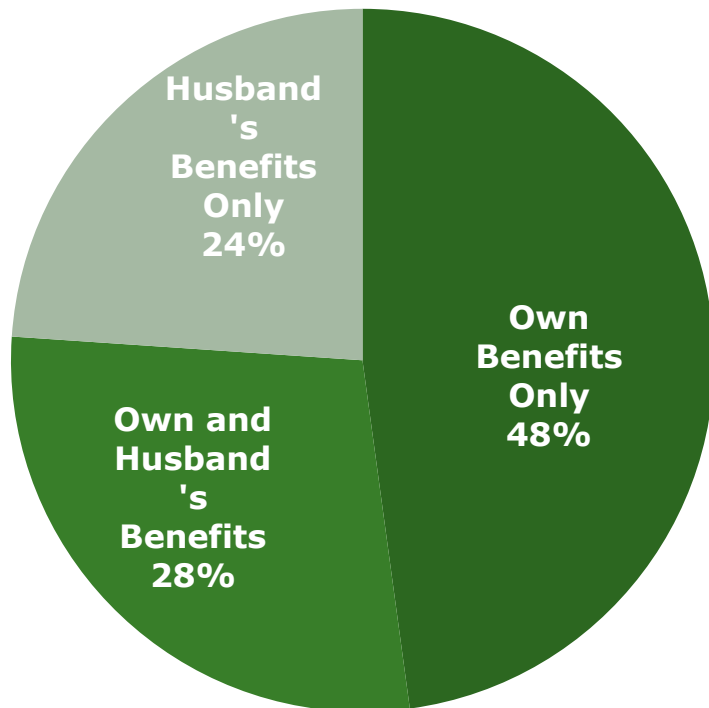
● Adding Spousal Benefits to Individual Benefits



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● Survivor Benefits

Women Are Collecting Their Husband's Benefits Survivor Benefits



Jordan

PIA: \$2,200

Alex

PIA: \$600

Jordan's Benefits
(63, 6 months)
\$1,833

Survivor
Benefits
\$1,833



Jordan's Benefits
(70)
\$2,904

Survivor
Benefits
\$2,904





Securing Your Retirement



COLLECTION STRATEGIES

Securing Your Retirement

● Married Couple - Collect at Age 62

Jordan

YOB: 1955

PIA: \$2,200

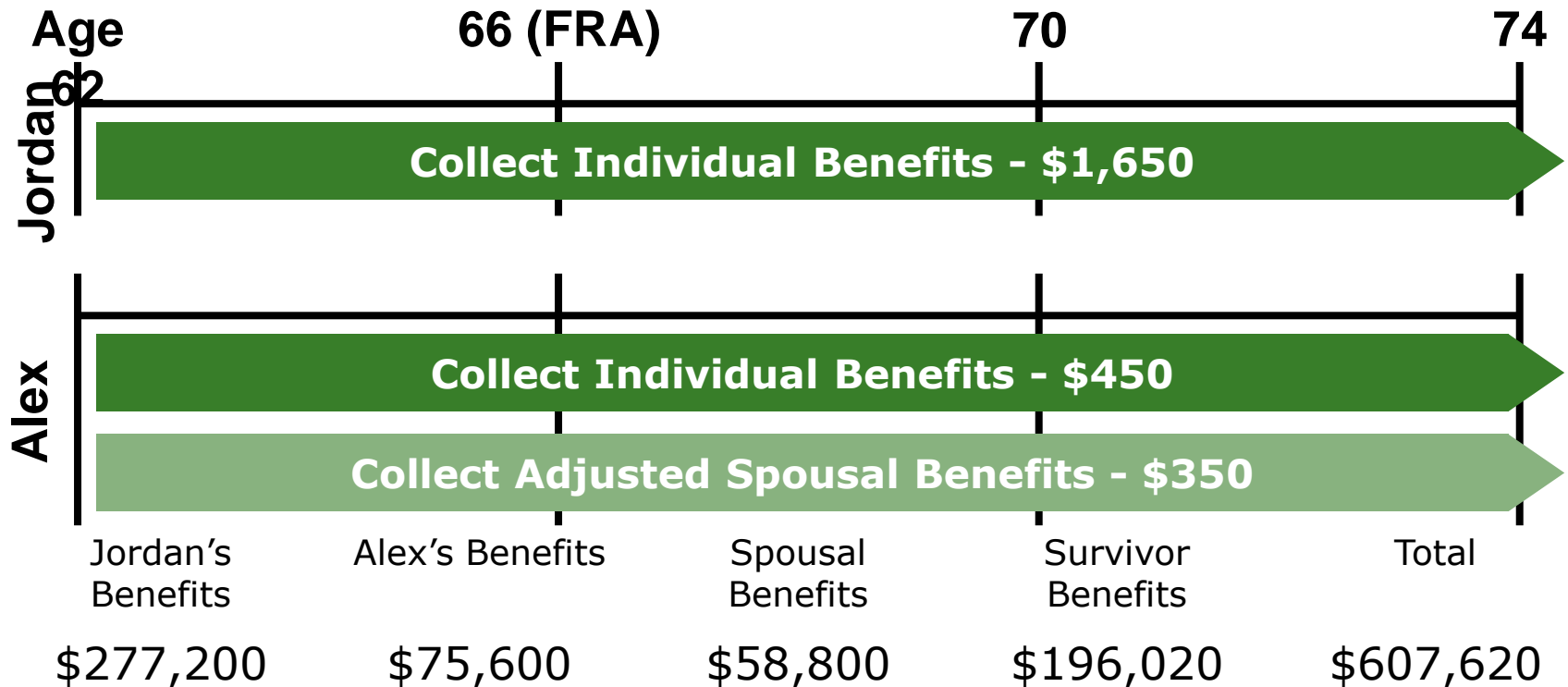
Lives through age 75

Alex

YOB: 1955

PIA: \$600

Lives through age 84



Securing Your Retirement

- Married Couple - Collect at Age 66 (FRA)

Jordan

YOB: 1955

PIA: \$2,200

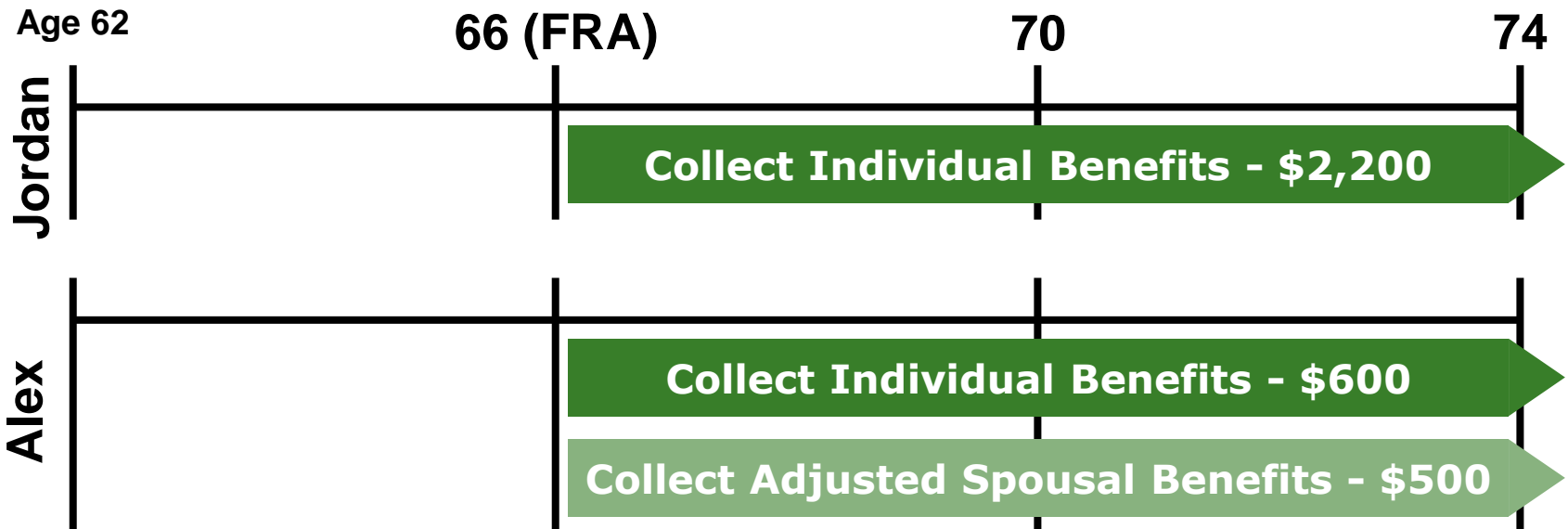
Lives through age 75

Alex

YOB: 1955

PIA: \$600

Lives through age 84



Both Age 62

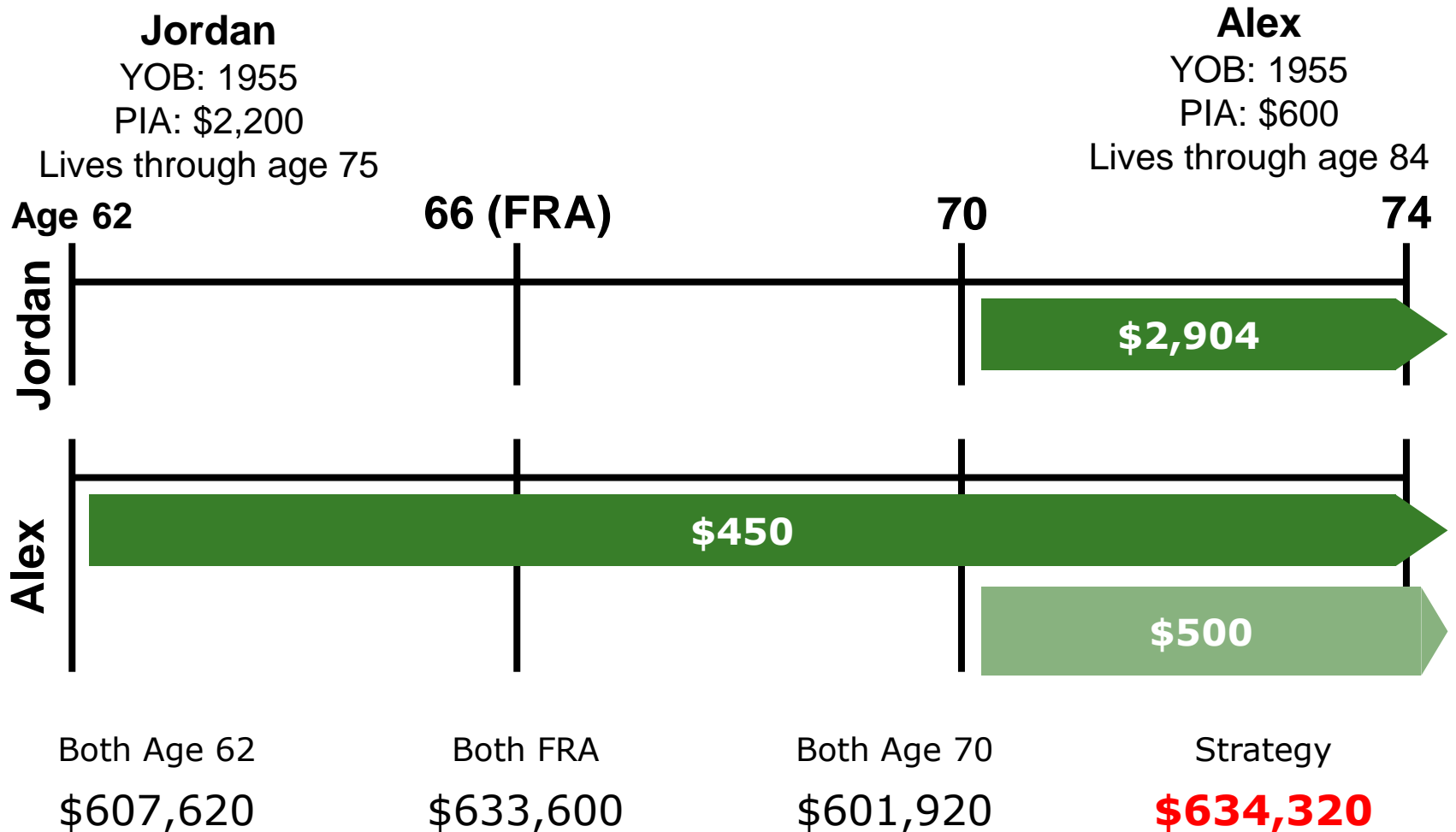
\$607,620

Both FRA

\$633,600

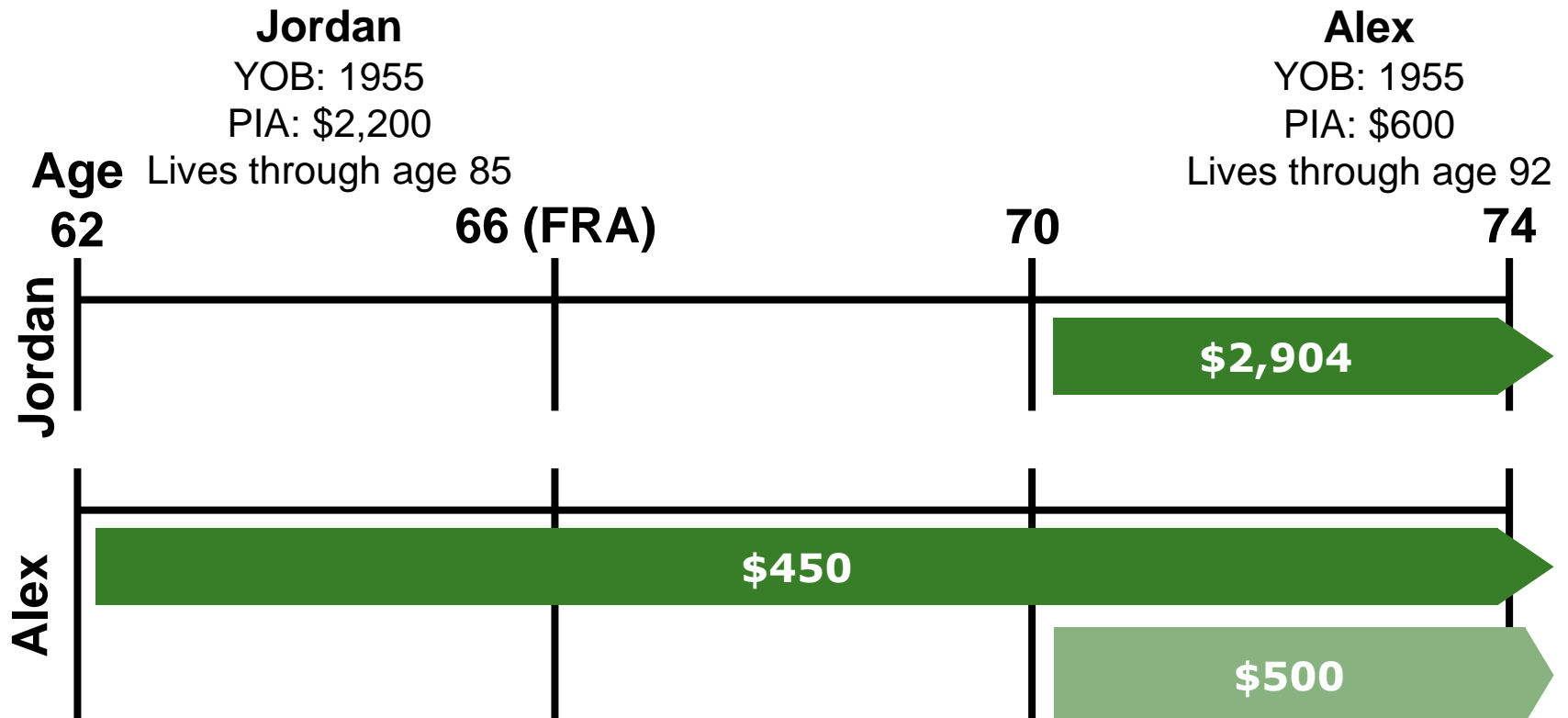
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● Married Couple - Large Difference in Benefits



Securing Your Retirement

- Married Couple - Large Difference in Benefits



Both Age 62
\$858,060

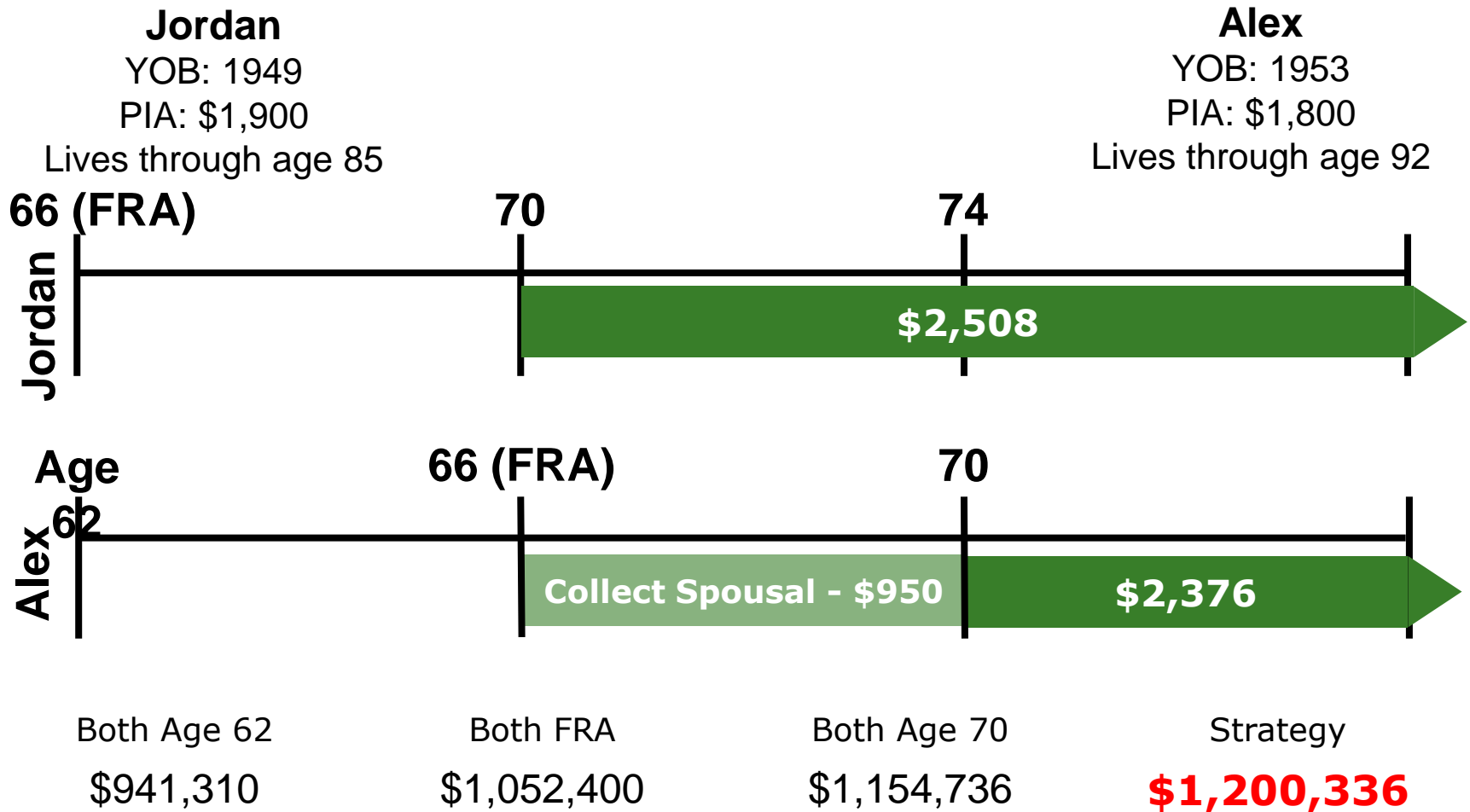
Both FRA
\$976,800

Both Age 70
\$1,012,704

Strategy
\$1,027,104

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- Restricted Application Still Available if Born 1953 or Earlier



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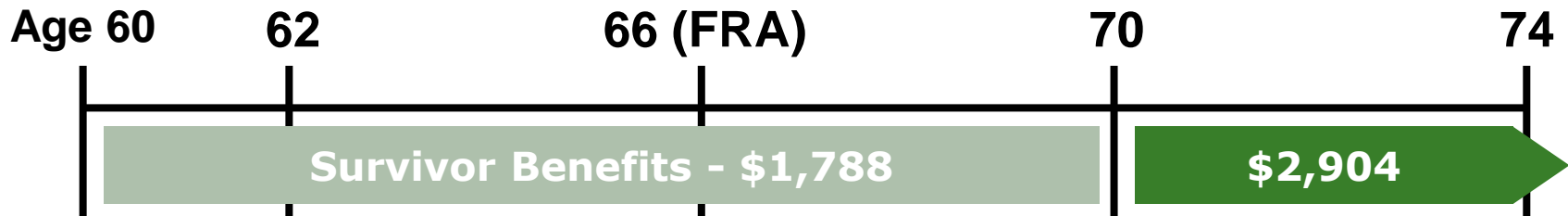
● Widow - Significant Individual Benefits

Chris

PIA: \$2,200

Survivor: \$2,500

Lives through age 92



Age 62
\$753,300

FRA
\$810,000

Age 70
\$801,504

Strategy
\$1,016,004

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● Additional Beneficiaries

**You or
Your Retirement Age Spouse,
Collecting Benefits**

**Your Unmarried Child
50% of your PIA***

- ▶ Under age 18 (19 if in high school)
- ▶ Any age if disabled before age 22

**Your Younger Spouse
50% of your PIA***

- ▶ Caring for your child who is under age 16 or disabled before age 22

*Subject to family maximum.

Source: Social Security Administration (www.ssa.gov).



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- Important Notes Regarding Collection Strategies

1. Filing and Suspending

- Voluntary Suspension request made after April 30th, 2016:
 - During suspension, any spousal or dependent child benefit will also be turned off
 - No retroactive payments of suspended benefits
 - The filer won't be able to claim any other benefit while their benefit is suspended.
- Opportunity for those turning 66 on or before September 1st, 2016

2. Restricted Application

- Still available if born on or before January 1st, 1954.
- If born after 1/1/54, deemed filing will apply regardless of age

3. Stay Up-To-Date with Changes



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- Additional Beneficiaries - Divorced Spouse

Spousal Benefits

- Married to ex-spouse for 10+ years
- Unmarried
- Both are at least age 62
- Divorced for at least 2 years*

Survivor Benefits

- Married to ex-spouse for 10+ years
- Unmarried or married after age 60
- At least age 60

*2 years does not apply if the individual was eligible for spousal benefits at the time of divorce.

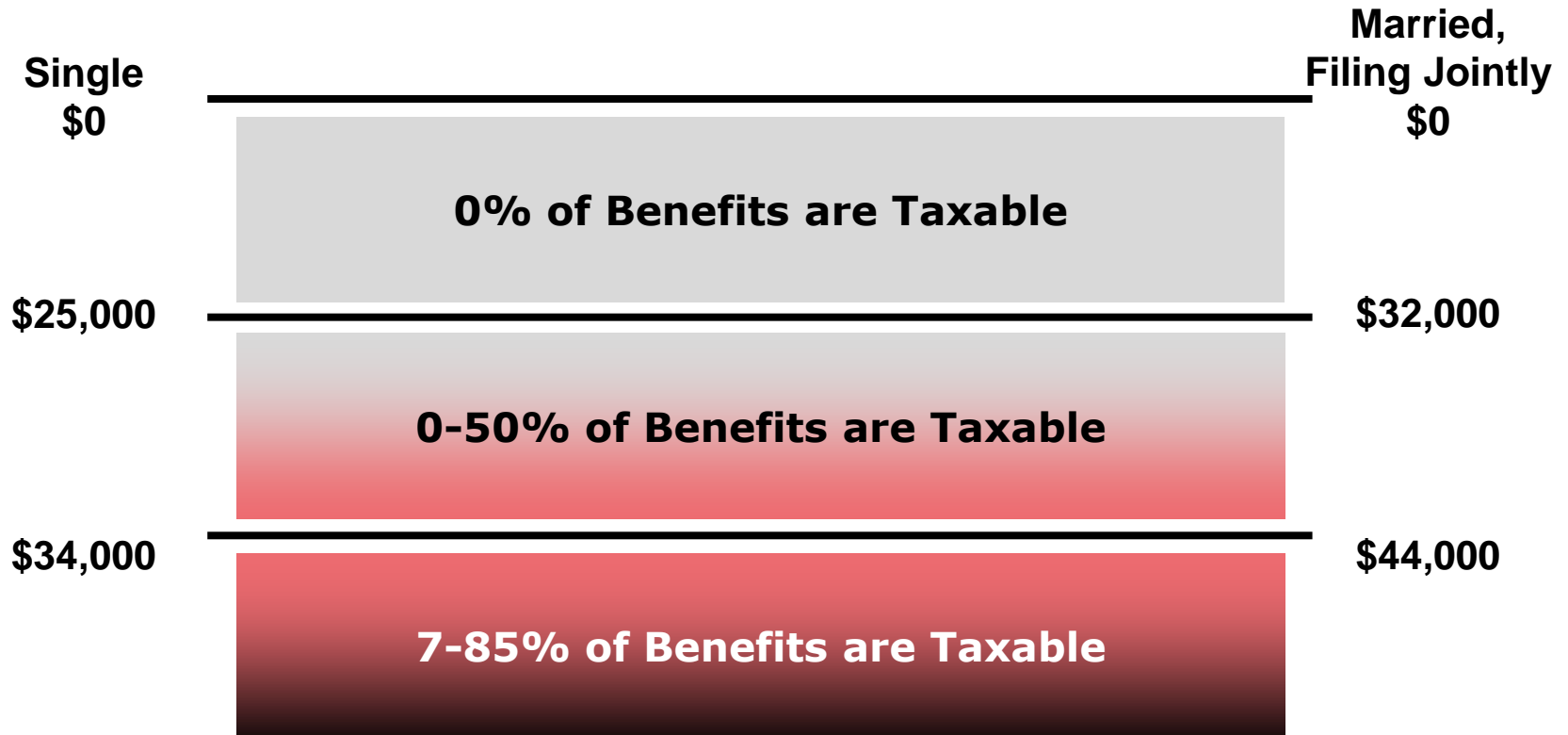
Source: Social Security Administration (www.ssa.gov).

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- Taxation of Social Security Benefits

Provisional Income =

$\frac{1}{2}$ Social Security Benefits + Modified Adjusted Gross Income





Securing Your Retirement

- Next steps

- **1. Understand the fundamental rules**
- **2. Recognize the options and benefits available**
- **3. Incorporate the collection decision into retirement plans**
- **4. Request a Complimentary Social Security Maximization Analysis**



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- Q & A

Questions & Answers

Thank you for attending!

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Not Insured by any Federal Government Agency		Not a Bank Deposit



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