



GOOD DECISIONS

Getting The Most From Social Security

Your Retirement Security

With each passing day ten thousand more Americans turn **AGE 65**. But while “65” is synonymous with retirement, in terms of claiming Social Security benefits, **AGE 65** has little meaning for almost three-quarters of us.

WHY?

BECAUSE ALMOST

75%

CHOOSE TO RECEIVE SOCIAL SECURITY RETIREMENT BENEFITS BEFORE THEIR FULL RETIREMENT AGE*.

For some, making the decision to claim retirement benefits early may be right choice. But by claiming benefits early, millions of people could be losing out on tens-of-thousands, or even hundreds of thousands of dollars.

Can you afford to wait? Or, is the appeal of claiming retirement benefits early just too strong?

Knowing how Social Security works, and what you could be sacrificing, is information that can boost your retirement security for decades to come.

* www.ssa.gov

Longevity: More Time, More Risk

Have you ever thought about how many years you might spend in retirement?

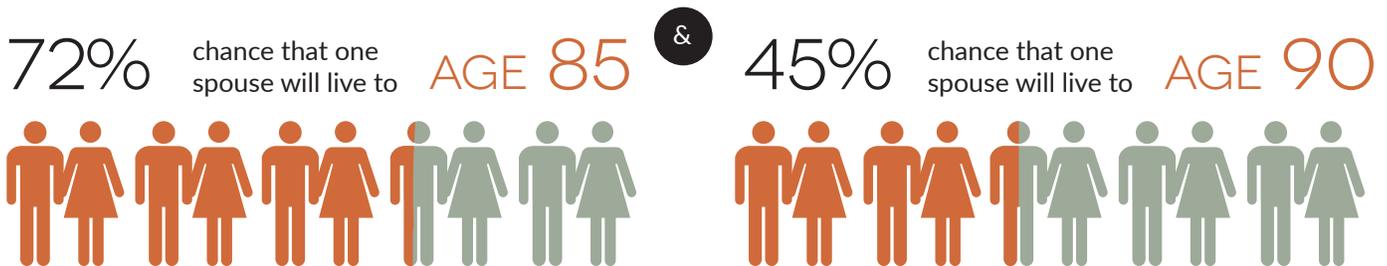
While we can't know for certain, we should think about how life expectancy has increased in the decades since Social Security began.

In 1935, life expectancy in the U.S. was 61.7 years .
By 2016 it had increased to 78.6 years*.

Consider a married couple age 65. There's a 72% chance that one spouse will live to age 85. And a 45% chance that one spouse will live to age 90** .

As of December 2017*** , 5.7 million Social Security beneficiaries were at least age 85. Some much older.

MARRIED COUPLES AGED 65



* National Center for Health Statistics, Data Brief 293, 12/17.

** Calculation based on mortality data from Society of Actuaries Retirement Participants 2000 table.

*** Social Security Administration Facts and Figures About Social Security, 2017.



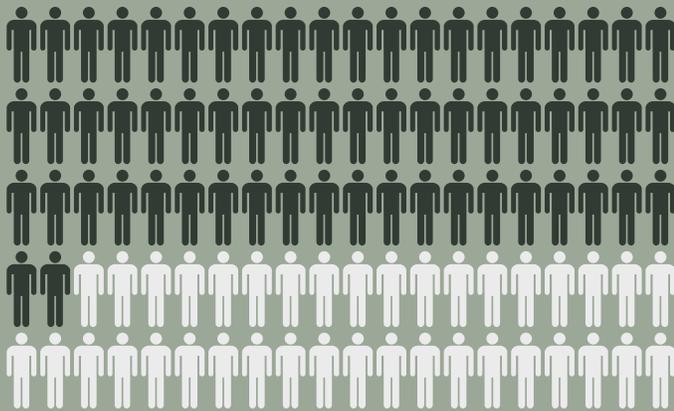
BUT COLLECTING SOCIAL SECURITY BENEFITS WELL INTO OLD AGE IS NOTHING NEW.

The very first person to collect Social Security retirement benefits was named Ida May Fuller. A resident of Vermont, Ida May retired in 1939 after paying into Social Security for just three years. Ida May received her first Social Security payment on January 31, 1940. She then went on to collect from Social Security for thirty-five years. Ida May passed away in 1975... at the age of one hundred.

A Thought Experiment

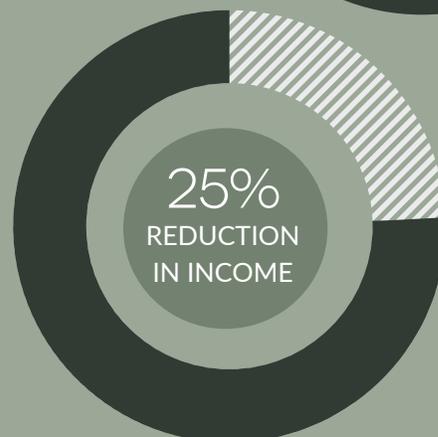
Here's a thought experiment that illustrates how people can lose-out on a great deal of Social Security income.

Imagine that you lived to age 100...but had decided to claim retirement benefits at age 62.



Social Security reduces your monthly income by 25% at age 62, versus waiting until your full retirement age, say age 66.

The 25% reduction in payments ISN'T TEMPORARY, it's PERMANENT*.

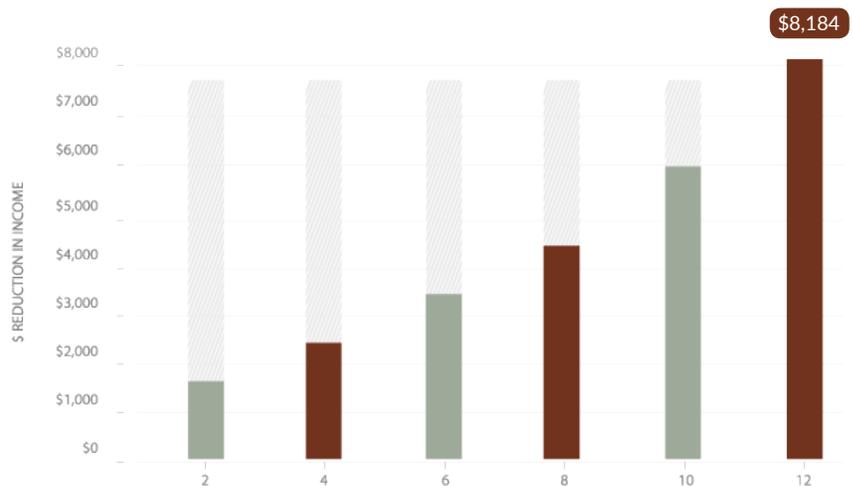
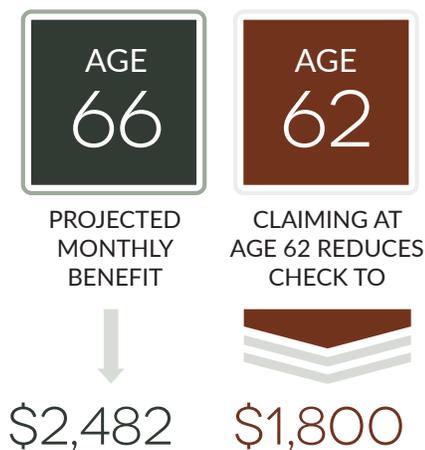


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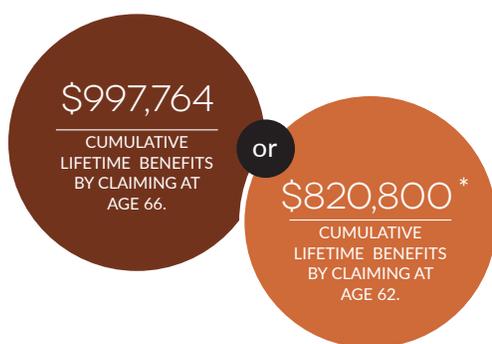
An Example

Let's assume that your age 66 projected monthly retirement benefit is \$2,482. Claiming benefits at age 62 reduces the monthly check from \$2,482, to \$1,800. That's a reduction of \$8,184 per year. Again, that reduction is not for a year, or a few years.

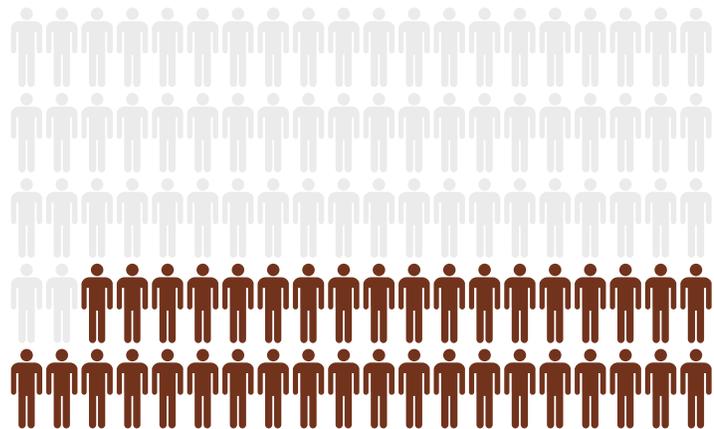
It's PERMANENT.



Over the 38 years from age 62 until age 100, this means giving up over \$176,964.



* Assumes no annual COLA



Now, you may feel that living to age 100 is unrealistic.

If so, then back that up by 20 years. If you were to live to age 80, the loss in retirement income is still \$13,284.

This assumes no annual COLA adjustment.



THE LESSON

*DON'T THINK
AUTOMATICALLY
THAT CLAIMING
SOCIAL SECURITY
BENEFITS EARLY
IS YOUR BEST
DECISION.*

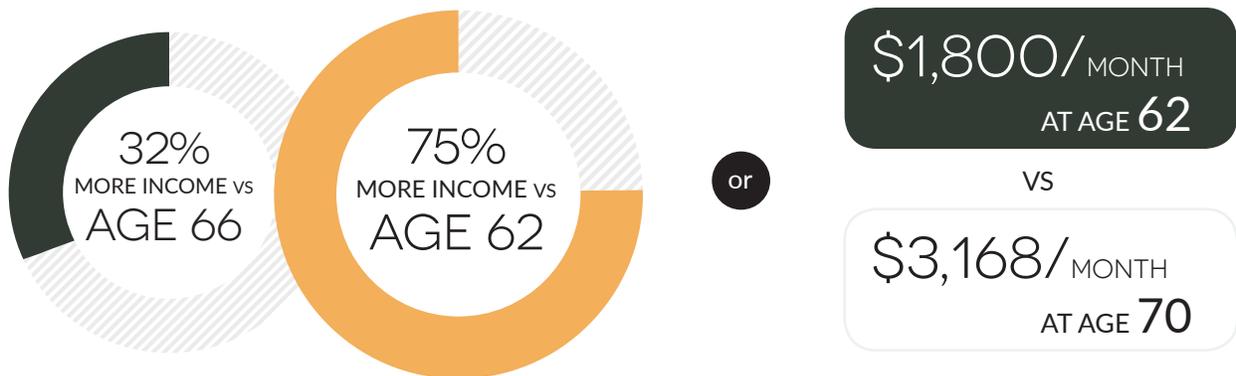
It may have been the right choice for your parents, but it could be the wrong choice for you.

In fact, if you feel that you are likely to live to age 80, or, 85, you should think carefully about delaying benefits until even after your full retirement age. This is because for every year that you wait beyond full retirement age, your monthly check will be increased by an additional 8%.

Waiting until age 70 means receiving 32% more retirement income versus age 66, and 75% more income compared to age 62. That's \$1,800 per month at age 62, versus \$3,168 at age 70.



WAITING UNTIL AGE 70 MEANS



Although the difference in these two numbers is dramatic, it's only one factor in choosing the Social Security claiming strategy that's best for you.

The opportunity to receive a higher monthly income helps explain why proper retirement income planning is important. It also points out why a well-designed retirement income plan shouldn't overlook how to maximize Social Security benefits.

Proper Claiming Strategies Maximize Retirement Benefits

Getting the most from Social Security is more than a casual decision, and more than simply guessing how long you'll live.

Making a decision based upon a simplistic analysis could cost you a great deal of money. To maximize Social Security benefits you should craft a claiming strategy based upon your unique life circumstances.

For example, did you know that divorced people who were married for at least ten years may claim Social Security benefits on an ex-spouse? Or that a married person may claim on his or her own work record, or, as early as age 66, file a claim for spousal benefits. You may do this and still maintain the right to claim maximum retirement benefits at age 70*.

So, there's a lot to think about- and a lot at stake- when it comes to Social Security.

* (*Only Available to Filers who will be age 62 or older by 12/31/2015. Source: Bipartisan Budget Act of 2015)



*Seek the advice of an advisor
that specializes in retirement
income planning.*

The information provided is not written or intended as specific tax or legal advice and may not be relied on for purposes of avoiding any Federal tax penalties. Individuals are encouraged to seek advice from their own tax or legal counsel.

Final decisions about Social Security filing strategies always rest with you and should always be based on your unique needs and health considerations.

It is important to acquire as much information as possible in order to make an informed Social Security claiming decision because one year after the Social Security claiming decision is made, it cannot be changed.

Some people, such as State and Local Government workers, may be subject to the “Government Pension Offset” and the “Windfall Elimination Provision” which could decrease their Social Security Benefits.

The Social Security program was created by an Act of Congress. It is subject to change. In the past, Congress has made changes to the law which have impacted Social Security benefits. Congress can make changes to the law at any time which might impact benefits in the future.

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