

Social Security Know How

Strategies to Maximize Your Benefits

When Should You Claim Your Retirement Benefits?

Most People File Early.



27% of men at 62



31% of women file at 62

Are They Missing Out?

U.S. News, *The Most Popular Ages to Collect Social Security*, January 2020

Filing Age Makes a Big Difference.



Age 62: 75% of full benefit

Age 66: 100% of full benefit

Age 70: 132% of full benefit
(76% increase for years 62–70)

Full Retirement Age (FRA): 66

if born before 1955

Earliest benefit available:
age 62 (reduced benefit)

Maximum benefit
available: age 70

Choose a Filing Date Wisely!
The impact is **Permanent**.*

*12-month window to change your mind



Finding Another Source of Income Until Age 70,
Or at Least Past FRA, Could Be a Prudent Move.

What are the Options for Married Couples?

- › If your spouse isn't yet receiving a retirement benefit, you can claim your own Social Security beginning at 62. Later, when your spouse claims, you'll receive the greater of your benefit or the spousal benefit (which can be as much as half of your spouse's).
- › If your spouse is already receiving a retirement benefit when you claim your Social Security, you're automatically deemed to be applying for a spousal benefit. Again though, you'll receive the greater of the spousal benefit or your own.



A Common Strategy to Coordinate Spousal Benefits and Increase Monthly Income:

Restricted Application

- › For those born before 1954, if spouses have similar benefits, one option is for one spouse to claim a spousal benefit at FRA for a number of years, and later switch to his or her own benefit.

Case Study: Janet and John

- › Each is eligible for \$1,500 monthly benefit at FRA
- › John has a lower life expectancy than Janet



Note: Under the Bipartisan Budget Act of 2015, you must have turned 62 by Dec. 31, 2015, to use this strategy.

How Will My Retirement Income Be Impacted?

Your Social Security may not pay all of your bills.

The amount of income needed in retirement depends on your needs and wants — rule of thumb is **80%** of preretirement income.

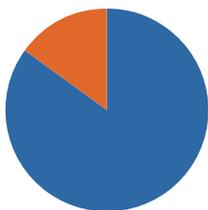


Social Security replaces about **40%** of preretirement income for the average worker.

The remaining **40%** is your responsibility (pensions, savings, annuities, earnings, etc.).

AARP.org, *How Much Money Do You Need to Retire?* Sept. 17, 2020

Your Social Security Benefit May Be Less Than You Believe



Up to **85%** of benefits are subject to income tax depending on income level and tax filing status.



Medicare premiums will be deducted automatically from your benefits.



Earned income could cause a reduced benefit if you're under FRA.

SSA.gov, *Understanding the Benefits*, 2020

Having Other Income Sources in Retirement May Not Only Be Prudent But **Necessary!**

The Reality: Retiring at 65? Unless you know you're in frail health, plan to live 25 years in retirement – to age 90.* That's why it's important your Social Security benefits align with your overall plan. **We can help find a path that suits you.**

*AARP.org, *How Much Money Do You Need to Retire?* Sept. 17, 2020

*Need assistance planning for your retirement income needs?
Your financial professional can help.*

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