



SOCIAL SECURITY ANALYSIS

PREPARED FOR: John Sample and Jane Sample

BY: Can Yegen1

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GENERAL OVERVIEW & INPUT

Optimizing Social Security

Approaching retirement, one of the most important decisions you'll make may be when to file for Social Security. The age you choose to claim will affect your total lifetime income, and an incorrect decision could lower benefits, which could lead to the depletion of other retirement assets.

The world of Social Security is more complex than most people think, as many variables such as when to file, taxation, penalties for working in retirement, and the impact of Medicare deductions can impact your retirement outlook. Additionally, if you pass away first, the age when you chose to claim may directly affect your spouse's (or ex-spouse's) potential survivor benefits. Claiming early (before FRA) could trigger a reduction, while waiting until Full Retirement Age (FRA) or later could result in higher monthly benefits.

Don't go it alone; instead, seek an informed financial professional who can help you navigate through the process, evaluate your budget, examine your income sources, integrate life expectancy projections, and make the most educated filing decision possible so that you can optimize your Social Security benefits.

This analysis provides estimates of your monthly, annual, and lifetime Social Security benefits throughout your retirement (in today's dollars) based on the options you have selected.

Inputs

This report provides three claiming options, which all reflect the inputs below based on John's FRA of Age 66 , Jane's FRA of Age 66.

Name	John	Jane Sample
Marital Status	Married	
Primary Insurance Amount (PIA)	\$2,000	\$2,000
Inflation Rate	3%	
Current Age	60	58
Life Expectancy	87	89
Already Claimed	N	N
Public Pension	N	N
Estimated Annual Income in Retirement	\$170,001 - \$214,000	
Cost-Of-Living Adjustments	2017	2.6%
	2018	2.9%
	2019	3%
	2020 and beyond	3.2%

Important information to help you read this analysis

The monthly benefit represents the Primary Insurance Amount (PIA) that you obtained from the Social Security Administration website (www.SocialSecurity.gov). This figure represents the total that you and your spouse can expect to receive upon attaining Full Retirement Age (FRA).

Let's examine each of these concepts separately. Two elements determine your PIA: you must have worked at least 40 quarters (or 10 years), and the amount you receive is based on the average of your highest 35 years of inflation-adjusted earnings. This becomes the starting point for all benefit calculations. The penalties or incentives (explained below) from when you choose to claim will alter your original PIA benefit. Additionally, your spouse will be entitled to 50 percent of your PIA at his/ her Full Retirement Age (FRA), regardless of earnings history.

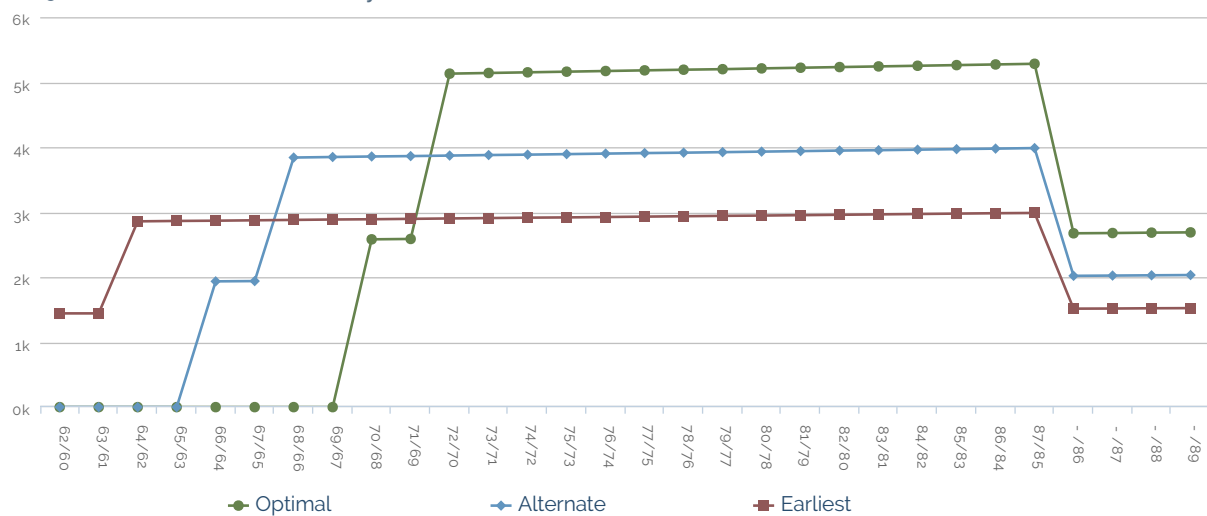
The acronym FRA simply stands for the age in which the government recognizes an individual as able to collect full Social Security benefits without penalty. Based on birthdate, FRA is between age 66 and 67. For those born after 1960, it is age 67. While one can begin drawing on Social Security at 62, the system is set up to encourage deferment. Eligible beneficiaries who start collecting at age 62 will receive the minimum benefit.



MONTHLY BENEFITS

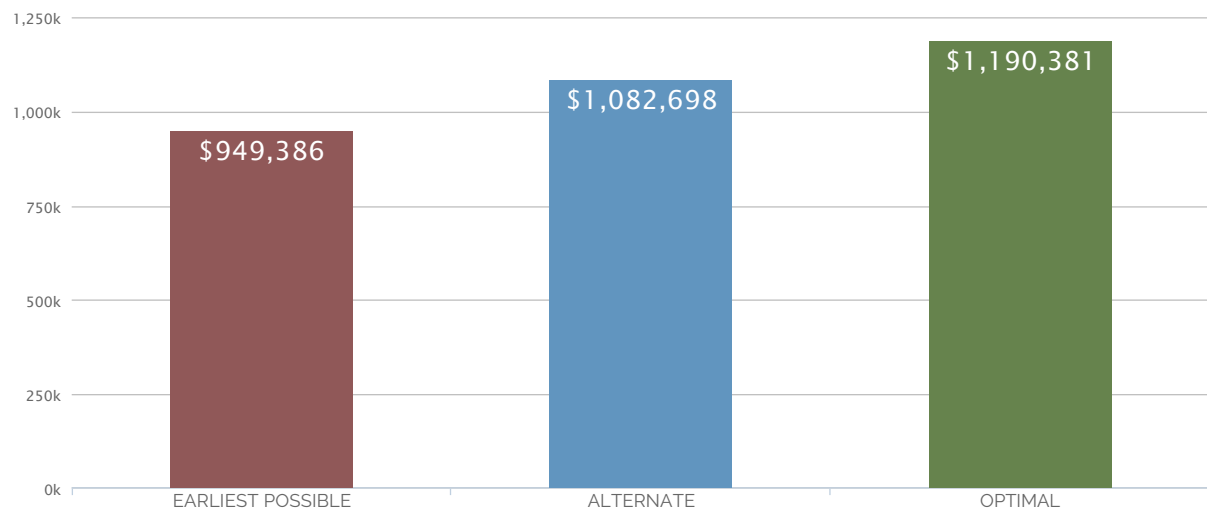
Below is a breakdown of benefits on a monthly basis for each of the three benefit scenarios. Benefits will vary from year-to-year depending on which strategy you choose.

Projected Social Security Income



LIFETIME BENEFITS

The chart below illustrates three potential strategies for comparison purposes: Earliest possible, Optimal, and an Alternate you selected to review. These projections are based on John living to 87, and Jane living to 89.



BREAK EVEN CHART

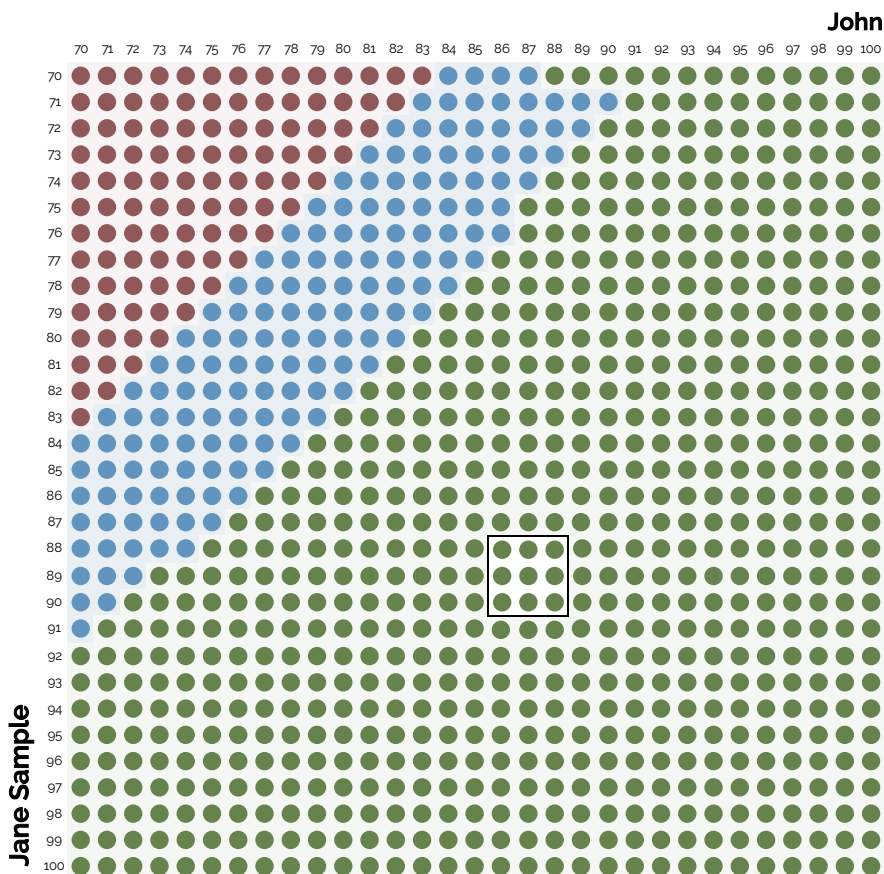
The break-even point is the age when the total Social Security income between retirement options becomes equivalent. If your longevity is in question, or you don't have an immediate need for retirement benefits before FRA, you may want to make your choice based on what will generate the largest lifetime income within your broader retirement plan.

This can be represented by a simple comparison

Draw benefits early for a longer period of time OR Delay benefits and receive a higher yearly amount. The chart below shows the break-even point based on your life expectancy input.

- Earliest Scenario: John 62, Jane Sample 62
- Alternate Scenario: John 66, Jane Sample 66
- Optimal Scenario: John 70, Jane Sample 70
- Your Life Expectancy Range

The break-even point is the age when the total Social Security income between retirement options becomes equivalent. This chart shows the break-even point based on your life expectancy input.



SUMMARY OF CLAIMING STRATEGIES

Below is a breakdown of annual Social Security income, broken down by benefit type. Benefits are totaled per year.

Age	Earliest Strategy: John's Benefit	Earliest Strategy: Jane Sample's Benefit	Earliest Strategy: Total Benefit	Alternate Strategy: John's Benefit	Alternate Strategy: Jane Sample's Benefit	Alternate Strategy: Total Benefit	Optimal Strategy: John's Benefit	Optimal Strategy: Jane Sample's Benefit	Optimal Strategy: Total Benefit
62/60	\$17,315	\$0	\$17,315	\$0	\$0	\$0	\$0	\$0	\$0
63/61	\$17,315	\$0	\$17,315	\$0	\$0	\$0	\$0	\$0	\$0
64/62	\$17,349	\$16,951	\$34,300	\$0	\$0	\$0	\$0	\$0	\$0
65/63	\$17,383	\$16,983	\$34,366	\$0	\$0	\$0	\$0	\$0	\$0
66/64	\$17,416	\$17,016	\$34,432	\$23,223	\$0	\$23,223	\$0	\$0	\$0
67/65	\$17,451	\$17,050	\$34,500	\$23,267	\$0	\$23,267	\$0	\$0	\$0
68/66	\$17,485	\$17,083	\$34,567	\$23,313	\$22,777	\$46,090	\$0	\$0	\$0
69/67	\$17,518	\$17,116	\$34,634	\$23,358	\$22,821	\$46,179	\$0	\$0	\$0
70/68	\$17,552	\$17,149	\$34,702	\$23,403	\$22,865	\$46,269	\$30,989	\$0	\$30,989
71/69	\$17,587	\$17,182	\$34,769	\$23,448	\$22,909	\$46,358	\$31,049	\$0	\$31,049
72/70	\$17,621	\$17,215	\$34,836	\$23,494	\$22,954	\$46,448	\$31,110	\$30,462	\$61,571
73/71	\$17,655	\$17,249	\$34,904	\$23,540	\$22,998	\$46,538	\$31,170	\$30,520	\$61,690
74/72	\$17,689	\$17,282	\$34,971	\$23,585	\$23,043	\$46,629	\$31,231	\$30,580	\$61,811
75/73	\$17,723	\$17,316	\$35,039	\$23,631	\$23,088	\$46,719	\$31,291	\$30,639	\$61,930
76/74	\$17,758	\$17,350	\$35,107	\$23,677	\$23,133	\$46,810	\$31,352	\$30,698	\$62,050
77/75	\$17,792	\$17,383	\$35,176	\$23,723	\$23,178	\$46,901	\$31,412	\$30,758	\$62,171
78/76	\$17,827	\$17,417	\$35,244	\$23,769	\$23,223	\$46,992	\$31,474	\$30,818	\$62,291
79/77	\$17,861	\$17,451	\$35,312	\$23,815	\$23,268	\$47,083	\$31,535	\$30,878	\$62,412
80/78	\$17,896	\$17,485	\$35,380	\$23,862	\$23,313	\$47,175	\$31,596	\$30,938	\$62,534
81/79	\$17,931	\$17,519	\$35,450	\$23,908	\$23,358	\$47,266	\$31,657	\$30,998	\$62,655
82/80	\$17,966	\$17,553	\$35,518	\$23,954	\$23,404	\$47,358	\$31,719	\$31,058	\$62,776
83/81	\$18,001	\$17,587	\$35,587	\$24,001	\$23,449	\$47,450	\$31,780	\$31,118	\$62,899
84/82	\$18,036	\$17,621	\$35,657	\$24,047	\$23,495	\$47,542	\$31,842	\$31,179	\$63,021
85/83	\$18,071	\$17,655	\$35,726	\$24,094	\$23,540	\$47,634	\$31,904	\$31,239	\$63,143
86/84	\$18,106	\$17,689	\$35,795	\$24,141	\$23,586	\$47,727	\$31,966	\$31,300	\$63,266
87/85	\$18,141	\$17,724	\$35,865	\$24,188	\$23,632	\$47,820	\$32,028	\$31,361	\$63,388
- /86	\$0	\$18,176	\$18,176	\$0	\$24,235	\$24,235	\$0	\$32,090	\$32,090
- /87	\$0	\$18,211	\$18,211	\$0	\$24,282	\$24,282	\$0	\$32,152	\$32,152
- /88	\$0	\$18,247	\$18,247	\$0	\$24,329	\$24,329	\$0	\$32,215	\$32,215
- /89	\$0	\$18,282	\$18,282	\$0	\$24,376	\$24,376	\$0	\$32,277	\$32,277
Totals	\$460,445	\$488,941	\$949,386	\$521,443	\$561,255	\$1,082,698	\$567,103	\$623,278	\$1,190,381

SOCIAL SECURITY AND MY RETIREMENT: EARLIEST CLAIM AGE(S)

YOUR EARLIEST CLAIMING STRATEGY IS: JOHN FILES FOR BENEFITS AT 62 AND JANE SAMPLE AT AGE 62.

At age 62, John files for benefits and receives \$1,443 per month, \$17,315 per year.

At age 62, Jane files for benefits and receives \$1,413 per month, \$16,951 per year.

At age 87, John passes away and Jane receives \$1,515 per month, \$18,176 per year.

ACTION PLAN FOR JOHN AND JANE

If you choose this strategy, here are the actions that you need to take:

Three months prior to John's 62nd birthday, and three months prior to Jane's 62nd birthday, you will contact Social Security to file for benefits. Social Security will automatically pay you the highest combination of your earned benefits (and spousal benefits as a married couple).

You can apply online. Here is the website that will provide you with the information you will need in order to initiate the process:
<http://www.socialsecurity.gov/retire2/applying8.htm>.

We would advise you to discuss these options with a financial professional and to make an appointment to meet with someone at your local Social Security office to review your personal situation. The website that will provide the necessary information is
<http://www.socialsecurity.gov/retire2/applying8.htm>

You should continue to check on the amount of your monthly Social Security benefit (at least annually) between now and the time you plan to file because that amount may change based on a variety of factors, such as your income or adjustments to benefits. You can do this at:
<https://secure.ssa.gov>

Where to apply for benefits

Online at : <https://secure.ssa.gov>

By phone at: 1-800-772-1213

In person: Visit your local Social Security office.
(Call first to make an appointment.)

If you do not live in the U.S. or one of its territories you can also:

- Contact the nearest U.S. Social Security office, U.S. Embassy or
- Consulate at
<http://www.socialsecurity.gov/foreign/>

ANNUAL BENEFITS – EARLIEST CLAIMING STRATEGY

Below is a breakdown of annual Social Security income, broken down by benefit type. Benefits are totaled up per year, and shown both before and after Medicare deductions. Consult a financial professional to ensure that your Social Security earnings will not be affected by the Earnings Test.

Age	John's Benefit	John's Spousal Benefit	John's Survivor Benefit	Jane Sample's Benefit	Jane Sample's Spousal Benefit	Jane Sample's Survivor Benefit	Total Annual	Net of Medicare
62/60	\$17,315	\$0	\$0	\$0	\$0	\$0	\$17,315	\$17,315
63/61	\$17,315	\$0	\$0	\$0	\$0	\$0	\$17,315	\$17,315
64/62	\$17,349	\$0	\$0	\$16,951	\$0	\$0	\$34,300	\$34,300
65/63	\$17,383	\$0	\$0	\$16,983	\$0	\$0	\$34,366	\$31,813
66/64	\$17,416	\$0	\$0	\$17,016	\$0	\$0	\$34,432	\$31,802
67/65	\$17,451	\$0	\$0	\$17,050	\$0	\$0	\$34,500	\$29,110
68/66	\$17,485	\$0	\$0	\$17,083	\$0	\$0	\$34,567	\$29,046
69/67	\$17,518	\$0	\$0	\$17,116	\$0	\$0	\$34,634	\$28,945
70/68	\$17,552	\$0	\$0	\$17,149	\$0	\$0	\$34,702	\$28,840
71/69	\$17,587	\$0	\$0	\$17,182	\$0	\$0	\$34,769	\$28,729
72/70	\$17,621	\$0	\$0	\$17,215	\$0	\$0	\$34,836	\$28,612
73/71	\$17,655	\$0	\$0	\$17,249	\$0	\$0	\$34,904	\$28,490
74/72	\$17,689	\$0	\$0	\$17,282	\$0	\$0	\$34,971	\$28,360
75/73	\$17,723	\$0	\$0	\$17,316	\$0	\$0	\$35,039	\$28,225
76/74	\$17,758	\$0	\$0	\$17,350	\$0	\$0	\$35,107	\$28,084
77/75	\$17,792	\$0	\$0	\$17,383	\$0	\$0	\$35,176	\$27,936
78/76	\$17,827	\$0	\$0	\$17,417	\$0	\$0	\$35,244	\$27,780
79/77	\$17,861	\$0	\$0	\$17,451	\$0	\$0	\$35,312	\$27,617
80/78	\$17,896	\$0	\$0	\$17,485	\$0	\$0	\$35,380	\$27,447
81/79	\$17,931	\$0	\$0	\$17,519	\$0	\$0	\$35,450	\$27,270
82/80	\$17,966	\$0	\$0	\$17,553	\$0	\$0	\$35,518	\$27,084
83/81	\$18,001	\$0	\$0	\$17,587	\$0	\$0	\$35,587	\$31,238
84/82	\$18,036	\$0	\$0	\$17,621	\$0	\$0	\$35,657	\$31,172
85/83	\$18,071	\$0	\$0	\$17,655	\$0	\$0	\$35,726	\$31,100
86/84	\$18,106	\$0	\$0	\$17,689	\$0	\$0	\$35,795	\$31,024
87/85	\$18,141	\$0	\$0	\$17,724	\$0	\$0	\$35,865	\$30,943
- /86	\$0	\$0	\$0	\$0	\$0	\$18,176	\$18,176	\$13,099
- /87	\$0	\$0	\$0	\$0	\$0	\$18,211	\$18,211	\$12,974
- /88	\$0	\$0	\$0	\$0	\$0	\$18,247	\$18,247	\$12,843
- /89	\$0	\$0	\$0	\$0	\$0	\$18,282	\$18,282	\$12,706
Totals	\$460,445	\$0	\$0	\$416,025	\$0	\$72,916	\$949,386	\$768,066

SOCIAL SECURITY AND MY RETIREMENT: OPTIMAL CLAIM AGE(S)

YOUR OPTIMAL CLAIMING STRATEGY IS: JOHN FILES FOR BENEFITS AT 70 AND JANE SAMPLE AT AGE 70.

At age 70, John files for benefits and receives \$2,582 per month, \$30,989 per year

At age 70, Jane files for benefits and receives \$2,538 per month, \$30,462 per year.

At age 87, John passes away and Jane receives \$2,674 per month, \$32,090 per year.

ACTION PLAN FOR JOHN AND JANE

If you choose this strategy, here are the actions that you need to take:

Three months prior to John's 70th birthday, and three months prior to Jane's 70th birthday, you will contact Social Security to file for benefits. Social Security will automatically pay you the highest combination of your earned benefits (and spousal benefits as a married couple).

You can apply online. Here is the website that will provide you with the information you will need in order to initiate the process:
<http://www.socialsecurity.gov/retire2/applying8.htm>.

We would advise you to discuss these options with a financial professional and to make an appointment to meet with someone at your local Social Security office to review your personal situation. The website that will provide the necessary information is
<http://www.socialsecurity.gov/retire2/applying8.htm>

You should continue to check on the amount of your monthly Social Security benefit (at least annually) between now and the time you plan to file because that amount may change based on a variety of factors, such as your income or adjustments to benefits. You can do this at:
<https://secure.ssa.gov>

Where to apply for benefits

Online at : <https://secure.ssa.gov>

By phone at: 1-800-772-1213

In person: Visit your local Social Security office. (Call first to make an appointment.)

If you do not live in the U.S. or one of its territories you can also:

- Contact the nearest U.S. Social Security office, U.S. Embassy or
- Consulate at <http://www.socialsecurity.gov/foreign/>

ANNUAL BENEFITS – OPTIMAL CLAIMING STRATEGY

Below is a breakdown of annual Social Security income, broken down by benefit type. Benefits are totaled up per year, and shown both before and after Medicare deductions.

Age	John's Benefit	John's Spousal Benefit	John's Survivor Benefit	Jane Sample's Benefit	Jane Sample's Spousal Benefit	Jane Sample's Survivor Benefit	Total Annual	Net of Medicare
62/60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63/61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64/62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65/63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
66/64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67/65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68/66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69/67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70/68	\$30,989	\$0	\$0	\$0	\$0	\$0	\$30,989	\$28,058
71/69	\$31,049	\$0	\$0	\$0	\$0	\$0	\$31,049	\$28,029
72/70	\$31,110	\$0	\$0	\$30,462	\$0	\$0	\$61,571	\$55,347
73/71	\$31,170	\$0	\$0	\$30,520	\$0	\$0	\$61,690	\$55,275
74/72	\$31,231	\$0	\$0	\$30,580	\$0	\$0	\$61,811	\$55,199
75/73	\$31,291	\$0	\$0	\$30,639	\$0	\$0	\$61,930	\$55,116
76/74	\$31,352	\$0	\$0	\$30,698	\$0	\$0	\$62,050	\$55,026
77/75	\$31,412	\$0	\$0	\$30,758	\$0	\$0	\$62,171	\$54,931
78/76	\$31,474	\$0	\$0	\$30,818	\$0	\$0	\$62,291	\$54,828
79/77	\$31,535	\$0	\$0	\$30,878	\$0	\$0	\$62,412	\$54,717
80/78	\$31,596	\$0	\$0	\$30,938	\$0	\$0	\$62,534	\$54,600
81/79	\$31,657	\$0	\$0	\$30,998	\$0	\$0	\$62,655	\$54,475
82/80	\$31,719	\$0	\$0	\$31,058	\$0	\$0	\$62,776	\$54,342
83/81	\$31,780	\$0	\$0	\$31,118	\$0	\$0	\$62,899	\$54,201
84/82	\$31,842	\$0	\$0	\$31,179	\$0	\$0	\$63,021	\$54,050
85/83	\$31,904	\$0	\$0	\$31,239	\$0	\$0	\$63,143	\$53,892
86/84	\$31,966	\$0	\$0	\$31,300	\$0	\$0	\$63,266	\$53,723
87/85	\$32,028	\$0	\$0	\$31,361	\$0	\$0	\$63,388	\$53,545
- /86	\$0	\$0	\$0	\$0	\$0	\$32,090	\$32,090	\$27,013
- /87	\$0	\$0	\$0	\$0	\$0	\$32,152	\$32,152	\$26,915
- /88	\$0	\$0	\$0	\$0	\$0	\$32,215	\$32,215	\$26,811
- /89	\$0	\$0	\$0	\$0	\$0	\$32,277	\$32,277	\$26,702
Totals	\$567,103	\$0	\$0	\$494,544	\$0	\$128,735	\$1,190,381	\$1,036,796

SOCIAL SECURITY AND MY RETIREMENT: ALTERNATE CLAIM AGE(S)

YOUR ALTERNATE CLAIMING STRATEGY IS: JOHN FILES
FOR BENEFITS AT 66 AND JANE SAMPLE AT AGE 66.

At age 66, John files for benefits and receives \$1,935 per month, \$23,223 per year.

At age 66, Jane files for benefits and receives \$1,898 per month, \$22,777 per year.

At age 87, John passes away and Jane receives \$2,020 per month, \$24,235 per year.

ACTION PLAN FOR JOHN AND JANE

If you choose this strategy, here are the actions that you need to take:

Three months prior to John's 70th birthday, and three months prior to Jane's 70th birthday, you will contact Social Security to file for benefits. Social Security will automatically pay you the highest combination of your earned benefits (and spousal benefits as a married couple).

You can apply online. Here is the website that will provide you with the information you will need in order to initiate the process:
<http://www.socialsecurity.gov/retire2/applying8.htm>.

We would advise you to discuss these options with a financial professional and to make an appointment to meet with someone at your local Social Security office to review your personal situation. The website that will provide the necessary information is
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You should continue to check on the amount of your monthly Social Security benefit (at least annually) between now and the time you plan to file because that amount may change based on a variety of factors, such as your income or adjustments to benefits. You can do this at:
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Where to apply for benefits

Online at : <https://secure.ssa.gov>

By phone at: 1-800-772-1213

In person: Visit your local Social Security office. (Call first to make an appointment.)

If you do not live in the U.S. or one of its territories you can also:

- Contact the nearest U.S. Social Security office, U.S. Embassy or
- Consulate at <http://www.socialsecurity.gov/foreign/>

ANNUAL BENEFITS – ALTERNATE CLAIMING STRATEGY

Below is a breakdown of annual Social Security income, broken down by benefit type. Benefits are totaled up per year, and shown both before and after Medicare deductions.

Age	John's Benefit	John's Spousal Benefit	John's Survivor Benefit	Jane Sample's Benefit	Jane Sample's Spousal Benefit	Jane Sample's Survivor Benefit	Total Annual	Net of Medicare
62/60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63/61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64/62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65/63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
66/64	\$23,223	\$0	\$0	\$0	\$0	\$0	\$23,223	\$20,593
67/65	\$23,267	\$0	\$0	\$0	\$0	\$0	\$23,267	\$20,572
68/66	\$23,313	\$0	\$0	\$22,777	\$0	\$0	\$46,090	\$40,568
69/67	\$23,358	\$0	\$0	\$22,821	\$0	\$0	\$46,179	\$40,490
70/68	\$23,403	\$0	\$0	\$22,865	\$0	\$0	\$46,269	\$40,407
71/69	\$23,448	\$0	\$0	\$22,909	\$0	\$0	\$46,358	\$40,318
72/70	\$23,494	\$0	\$0	\$22,954	\$0	\$0	\$46,448	\$40,224
73/71	\$23,540	\$0	\$0	\$22,998	\$0	\$0	\$46,538	\$40,124
74/72	\$23,585	\$0	\$0	\$23,043	\$0	\$0	\$46,629	\$40,018
75/73	\$23,631	\$0	\$0	\$23,088	\$0	\$0	\$46,719	\$39,905
76/74	\$23,677	\$0	\$0	\$23,133	\$0	\$0	\$46,810	\$39,786
77/75	\$23,723	\$0	\$0	\$23,178	\$0	\$0	\$46,901	\$39,661
78/76	\$23,769	\$0	\$0	\$23,223	\$0	\$0	\$46,992	\$39,528
79/77	\$23,815	\$0	\$0	\$23,268	\$0	\$0	\$47,083	\$39,388
80/78	\$23,862	\$0	\$0	\$23,313	\$0	\$0	\$47,175	\$39,242
81/79	\$23,908	\$0	\$0	\$23,358	\$0	\$0	\$47,266	\$39,086
82/80	\$23,954	\$0	\$0	\$23,404	\$0	\$0	\$47,358	\$38,923
83/81	\$24,001	\$0	\$0	\$23,449	\$0	\$0	\$47,450	\$38,752
84/82	\$24,047	\$0	\$0	\$23,495	\$0	\$0	\$47,542	\$38,572
85/83	\$24,094	\$0	\$0	\$23,540	\$0	\$0	\$47,634	\$38,383
86/84	\$24,141	\$0	\$0	\$23,586	\$0	\$0	\$47,727	\$38,184
87/85	\$24,188	\$0	\$0	\$23,632	\$0	\$0	\$47,820	\$37,976
- /86	\$0	\$0	\$0	\$0	\$0	\$24,235	\$24,235	\$19,158
- /87	\$0	\$0	\$0	\$0	\$0	\$24,282	\$24,282	\$19,044
- /88	\$0	\$0	\$0	\$0	\$0	\$24,329	\$24,329	\$18,925
- /89	\$0	\$0	\$0	\$0	\$0	\$24,376	\$24,376	\$18,800
Totals	\$521,443	\$0	\$0	\$464,033	\$0	\$97,222	\$1,082,698	\$906,626


IMPACT OF CLAIM AGE

Claiming BEFORE Your FRA

There are compelling reasons to claim before FRA when you:

- have no other source of income to support yourself or your family;
- experience an earnings reduction that renders your current income insufficient to support yourself or your family;
- become a widow or widower (benefits based on age can start any time between age 60 and full retirement age as a survivor);
- learn of limited life expectancy

It is important to consider Social Security benefits as a means of extending income for the duration of your retirement. Someone with a limited life expectancy may choose to claim early; however, this decision will permanently reduce benefits (possibly for a spouse as well). If you live into your 80s (or longer), you could potentially limit your total retirement income and increase the risk of outliving your savings.

 You must also be aware of Social Security's earnings test. If you continue to work after you claim – but before you reach FRA – you will be subject to an earnings test, which may temporarily reduce your benefit based on your annual employment income.

Year	Maximum Earnings Before Penalty	Benefit Reduction After Maximum Earnings
Before FRA Year	\$16,920	\$1 for Every \$2 Earned
FRA Year <small>(Up to Month of Birthday)</small>	\$44,880	\$1 for Every \$3 Earned

Be sure to review your Social Security options with your financial professional to see how this choice may impact your retirement income portfolio.



Claiming AT Your FRA

There are compelling reasons to claim at FRA when you can:

- receive 100 percent of your entitled Social Security benefit;
- collect benefits without being subject to the earning's test, which means you can work and receive benefits at the same time;
- ensure full survivor benefits for a spouse or ex-spouse who may outlive you;
- start benefits before your late sixties, when many are unable or unwilling to work.

Remember that waiting until FRA to file may cost you up to five years of Social Security benefits; therefore, you should initiate a plan to cover household expenses during this time with another source of income if you choose to retire earlier. Claiming at FRA also eliminates the opportunity for you to collect up to 32 percent more in annual benefits by deferring until age 70.

Be sure to review your Social Security options with your financial professional to see how this choice may impact your retirement income portfolio.



Claiming AFTER Your FRA

There are compelling reasons to claim after FRA when you can:

- receive a monthly increase equivalent to 8 percent for each year you delay;
- address longevity by earning a higher benefit for the rest of your life;
- collect benefits without being subject to the earning's test, which means you can work and receive benefits at the same time;
- ensure full survivor benefits for a spouse or ex-spouse who may outlive you.

While claiming after FRA has its advantages (namely the permanent increase in monthly benefits), the decision carries some risk. No Social Security benefit during what is traditionally viewed as your "early retirement years" can create a funding crisis if you do not have enough retirement income. A household without Social Security for an extended period may struggle to cover basic retirement expenses (especially in relation to health care).

Be sure to review your Social Security options with your financial professional to see how this choice may impact your retirement income portfolio.

MEDICARE MEANS TESTING

Medicare surcharges apply to beneficiaries whose annual modified adjusted gross income (MAGI) exceeds certain limits.

While Medicare surcharges may come as an unwelcomed surprise, there are solutions available to you that may address this issue. By investing in non-MAGI affected products such as non-qualified annuities, Roth 401(k), Roth conversion, longevity insurance, a Health Savings Account (HSA) and a life insurance policy, you may reduce or potentially eliminate these costs. Talk to your financial professional about integrating this product mix into your existing portfolio.

Bracket	Individuals	Couples	Change in Cost
1st	<\$85,000	<\$170,000	-
2nd	\$85,001-\$107,000	\$170,001-\$214,000	37%
3rd	\$107,001-\$133,500	\$214,001-\$267,000	93%
4th	\$133,501-\$160,000	\$267,001-\$320,000	149%
5th	\$160,000+	\$320,000+	204%

As of today, you are projected to pay **\$73,874** in Medicare surcharges throughout retirement.



OTHER CONSIDERATIONS

Longevity

It is important to consider the impact of your projected life expectancy on your claiming age. Time horizon is one of the most critical factors to consider when determining the optimal age to collect Social Security.

Inflation

Year-to-year, expenses associated with maintaining your standard of living (utilities, automotive, food, and health care) may increase with inflation. While COLAs are intended to offset these increases, they do not always meet Consumer Price Index or inflation. One of the most extreme examples is health care costs, which can rise by 5 to 6 percent each year – a level that COLAs have only met once since 1990.

Early Claiming

As stated earlier, FRA is the age when retirees can collect Social Security without penalty. You may choose (or have no choice but) to claim at 62, but doing so may result in a reduction of as much as 25 percent or more.

Health Care

Social Security can be used to hedge against retirement risk brought on by the rising cost of health care. With health care cost inflation causing health-related expenses to drain retirement savings at an increased rate, utilizing Social Security benefits to defray these costs can help extend one's retirement savings.

Part B Deduction

Since the Medicare Modernization Act of 2003, Medicare Part B premiums (which rose 16 percent in 2016) are automatically deducted from monthly Social Security checks. This practice reduces the amount of income most beneficiaries have factored into their household budgets

Medicare Surcharges

Medicare Part B and D surcharges were officially introduced in 2007. This basically translates into "The more you make, the more you pay." Retirees who cross income thresholds can see their Medicare Part B Premiums rise from 37 percent to over 200 percent .

ADDITIONAL BENEFITS

Survivor Benefit

After your spouse or ex-spouse has passed, you may be eligible to receive 100 percent of their Social Security benefit. If your spouse had claimed before passing, you would be entitled to his/her entire benefit; if your spouse had not claimed, you would be eligible to receive the benefit he/she would have taken at FRA.

Spousal Benefit

Nearly all spouses are eligible to receive 50 percent of the spouse's benefit, even if they never worked themselves. If you are divorced and meet certain qualifications, you may be able to receive similar benefits from an ex-spouse.

Disability Benefits

If you are currently receiving disability benefits from the Social Security Administration, you will continue to receive that amount (plus COLAs) when you reach FRA through what is considered a seamless transition to retirement benefits. Even though the funding source changes from the Disability Fund to the Retirement Fund, your benefits will remain unchanged.

Child Benefits

Your children up to age 18 (or 19 if they are in school) may be entitled to a percentage of benefits if you are collecting Social Security, or the child's other parent has died (and worked long enough to be eligible for benefits).

IMPACT OF PUBLIC PENSION

Windfall Elimination Provision

If you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any pension earned based on that work may reduce your Social Security benefits.

Government Offset Provision

If you receive a pension from federal, state, or local government employment in which you did not pay Social Security taxes, your Social Security, spouse's, or widow/widower's benefits may be reduced.

IMPORTANT NOTES

Scope of this analysis

This analysis provides broad, general guidelines and strategies which may help you determine your Social Security income. This analysis is provided for educational purposes only and you should not rely on it as the primary basis for your insurance, investment, financial, retirement or tax planning decisions.

Assumptions in this analysis

This analysis assumes there are no changes in marital status, age of retirement, life expectancy or legislation. Benefits claiming criteria such as Primary Insurance Amount (PIA) should be obtained from The Social Security Administration (SSA).

Limitation of this analysis

The purpose of this analysis is to educate and give general information to help better understand the options and potential impact of when to file for Social Security and is not intended as advice or a comprehensive plan to integrate your projected Social Security benefits with other planning initiatives. The Action Plan chosen by you is completely discretionary on your part and can be changed at any time by you; as such it is ultimately your responsibility to carefully consider the available strategies before implementing one.

The algorithms used in developing this Analysis, based on inputs from each individual as to age, expected income sources, etc., project an individual's or couple's Social Security benefits based on current Social Security laws and regulations. Projected lifetime benefits are future values as of the year of attained age based on current laws and regulations. These are estimated income projections, and, as such, they are hypothetical in nature, and are not guaranteed. Actual retirement benefits will likely vary (sometimes significantly) from the estimates in this analysis due in part to changing Social Security laws and regulations. Current and future decisions and actions should not depend or be based solely on the results generated by this Analysis. It is important that you periodically review this Analysis and monitor your income and expense strategy throughout retirement.

The Analysis is dependent upon the quality and accuracy of the data furnished by you or third parties, including information about your Primary Insurance Amount (PIA) as well as certain assumptions as to future inflation rates and changes in legislation. Information provided is based on current Social Security rules. It is ultimately your responsibility to carefully consider the available strategies before implementing one.

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Can Yegen1

Phone: 9737137205

Email: cyegen@gmail.com