

Golden Bullets

Aegis Financial Partners

Derek M. Tuz, CFP®, ChFC®, CWS®
Michael L Tuz, ChFC®, CRPC®, CFS®, MBA

Address:

Boulder

1510 28th Street, Suite
100
Boulder, CO 80303

Denver

8055 East Tufts Avenue
Suite 1400
Denver, CO 80237

Irvine

18400 Von Karman Ave
Suite 400
Irvine, CA 92612

***Please Send All Mail to
Denver**

Telephone:

303-793-9350

Email:

Derek.Tuz@LFG.com

Mike.Tuz@lfg.com

Website:

www.aegisfinancialpartners.com

SOCIAL SECURITY RETIREMENT PLANNING: THINGS TO CONSIDER

My clients ask me all kinds of questions about the tax and technical aspects of financial strategies. In particular, folks are curious about the details *Social Security benefits*.

Here are a few summaries of recent conversations about Social Security planning.

1. Q. Is it better for me to claim Social Security retirement benefits early, or should I wait until age 70?

Answer. There is no one-size-fits-all answer to the question. In general, if the claimant's life expectancy will be longer than an average person's, it's better to wait.

That's not all there is to it, though. In addition to those factors, the decision about the timing of claiming may also depend in part on:

- Continuation of work earnings prior to full retirement age
- Other taxable income during retirement
- Eligibility for spousal or survivors benefits

2. Q. I have a minor child who is collecting Social Security survivors' benefits. Will the child need to pay income tax on any of the benefits?

A. Probably not.

The minor is still subject to the same income test that would apply to an adult to determine whether or not the benefits are taxable. It would only be the minor's income-- not the parents' income—that would be considered. If the child's only income is the Social Security benefits, they should not be taxable and will not require the child to file their own return.

3. Q. I have heard that eligibility for a government pension might reduce my Social Security benefit. Can you explain how that works?

There are two ways that Social Security benefits might be reduced due to a person's eligibility for certain kinds of government pensions:

- The Windfall Elimination Provision (WEP)
- The Government Pension Offset (GPO)

Both the WEP and GPO have the potential to apply when an individual who will receive the Social Security benefit is also eligible to receive a pension or retirement benefits from employment that was not subject to Social Security taxes.

Do you have questions about your Social Security benefits? Do you wonder whether it might be better to *claim early or to wait until age 70*? I help my clients to understand the issues and make the decision that best fits their needs.

AS ALWAYS, PLEASE FEEL FREE TO CALL TO DISCUSS THESE OR OTHER FINANCIAL SECURITY ISSUES OF CONCERN.

This information is designed for informational or educational purposes only. It is not intended as investment advice and is not a recommendation for retirement savings. Lincoln Financial Advisors Corp. and its representatives do not provide legal or tax advice. You may want to consult a legal or tax advisor regarding any legal or tax information.

- > Derek M. Tuz and Michael Tuz, is a registered representative of Lincoln Financial Advisors Corp.
- > "Securities offered through Lincoln Financial Advisors Corp., a broker/dealer. Member SIPC.
- > "Investment advisory services offered through Lincoln Financial Advisors or Sagemark Consulting, a division of Lincoln Financial Advisors Corp., a registered investment advisor."
- > Insurance offered through Lincoln affiliates and other fine companies."
- > Michigan. Securities offered through Lincoln Financial Advisors Corp., a broker/dealer (member SIPC) and an insurance agency.
- > California. Insurance offered through Lincoln Marketing and Insurance Agency, LLC and Lincoln Associates Insurance Agency, Inc. and other fine companies.
- > Utah. LFA Insurance Agency. Insurance offered through Lincoln affiliates and other fine companies.
- > Washington. Insurance offered through Lincoln Financial Advisors Corp. and LFA Limited Liability Company.
- > "The content of this material was provided to you by Lincoln Financial Advisors for its representatives and their clients and is for informational purposes only. Lincoln Financial Advisors Corp. and its representatives do not provide legal or tax advice. You may want to consult a legal or tax advisor regarding any legal or tax information as it relates to your personal circumstances."
- > CA License # OI51660
- > CRN-2716374-090419