

MEENA'S MONTHLY FOCUS ON SOCIAL SECURITY

Hello Friends,

Have you made your 2016 New Year's resolution yet? If so, I hope it's both exciting and uplifting, and one that you will look back and say, "Boy, was I glad I did it!"

This year, the idea for my resolution came from a YouTube interview with an 80-year-old prolific writer who at his career peak could write 20,000 words a day and a complete screenplay in T.H.R.E.E. days! For someone like me who can barely write an 800-word newsletter each month, it's easy to see why I admire his talent. And unlike many writers who tend to have a quiet personality, he has that vivacious spirit that transcends age and circumstances.

In the interview, he was asked how he manages to stay so happy all the time. Breaking into his signature giggle, he said he simply stays away from things that would make him unhappy.

As simplistic as it sounds, it was a *Voila* moment for me. I thought, "What a great resolution to make for 2016!"

~ HIGHLIGHTS ~

One of the BEST Things You Can Do This Tax Season:

I am going to devote a big part of this month's newsletter to remind everyone to make sure you have a conversation with those clients who have reached, or will reach, their [full retirement age](#) as of April 29, 2016 about file and suspend.

This is why the April 29, 2016 date is so **important**:

Under the current law, when your client applies for file and suspend, his benefit can earn the annual 8% [delayed retirement credit](#), giving him a lifetime 32% boost in benefit when he starts collecting at age 70. Plus, and this is key, during the time he suspends his benefit, his family can apply for auxiliary benefits such as spousal and family benefits that are based on his earnings. Everyone wins here.

Under the new law, which takes effect May 1, 2016, anyone who reaches full retirement age can still file and suspend, except there will be **NO** auxiliary benefits. This means when your client chooses to suspend his benefit, no one can collect any benefit off his earnings. Those who have reached full retirement age AND have applied for file and suspend by April 29, 2016 will be grandfathered into the old law.

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To make sure your eligible clients do not miss out on thousands of dollars in potential benefits, they **MUST** apply for file and suspend by April 29, 2016. After this date, everyone, including those who could be grandfathered but missed the deadline, will be under the new law.

I can't overemphasize the importance of this deadline. This is one of those advice that could significantly change your client's life, and one that will spare you from getting into one of those unpleasant "why didn't you tell me" situations.

New Development:

When the new Social Security law came out last November, most interpreted the ambiguous language to mean that the lump-sum option will go away.

Lump-sum option offers your "file and suspend" clients the ability to collect their suspended benefits in a lump sum should they change their mind down the road. This means if I applied for "file and suspend" at age 66 and changed my mind two years later, I could request a lump sum from Social Security for my suspended benefit for the last 24 months. Many consider this another Social Security loophole which the new law is going to close.

Now, some legal experts believe the lump-sum option may still be available albeit with some changes, and has asked Social security to issue clarifications on this topic. I will keep you posted as new information comes out...

~ ON A PERSONAL NOTE ~

Personal Note:

Last year I borrowed someone's "no regret" idea and made it my New Year's resolution. It was one of those few resolutions I made over the years that survived the year.

In two weeks, I will be on a non-stop 15-hour transpacific flight to go home and spend Chinese New Year with my mom. Last time I made the trek home was just four months ago when she moved to a senior housing; and in four months, I will make the same trip again for her 90th birthday. While spending 15 hours cramped in a sardine-packed plane is no fun, it is less fun to have to wonder all the what-ifs down the road. For this I thank the person who gave me the "no regret" idea.

I am hoping my 2016 resolution I once again borrow will survive the year. If nothing, it will give me some war stories to tell come December.

Wishing all of you a happy and healthy Year of the Monkey!

Meena

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