

AFM News and Views
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Our mission is to serve our clients, in an atmosphere of trust, to help grow and preserve their wealth. We provide personal attention and comprehensive strategies, striving to enable our clients to live and retire with stability. Alltrust Financial Management serves clients seeking comprehensive financial guidance, with a team approach, in a manner that continuously exceeds our clients' expectations. We are a recognized and respected financial management firm delivering trusted, personal attention.

Ready to retire? Here are 4 signs you're ready to claim Social Security

source: USA Today

Are you thinking of claiming Social Security? If so, you should be aware that your decision to file at a specific time can affect the amount of your checks for the rest of your life. It can also be very difficult to undo your claim if it turns out you made a mistake.

With these thoughts in mind, be sure to check for these four signs that you're ready to start getting your checks.

1. You've coordinated with your spouse

Claiming Social Security as a married couple is a lot more challenging because there are many different strategies you could use to maximize combined benefits.

In most cases, the higher earner should delay claiming benefits as long as possible to max out the income available to the couple (and eventually the longer-living spouse). However, there are some other considerations, including the fact that your partner can't claim spousal benefits on your work record until you've started your own benefits.

To make sure you're getting the largest combined benefit and providing appropriately for whichever spouse lives longer, work with your partner to decide what makes sense. If you've done that, you've hopefully found an optimal strategy and should be ready to put it into play.

2. You've worked for at least 35 years

Social Security's benefits formula gives you a percentage of your average wages, after adjusting them for inflation, but it takes exactly 35 years of earnings into account when calculating your average – specifically, your highest-earning years. Unfortunately, those who don't have full 35-year work histories will still have their average wages determined based on this timeline. Making sure you've put in at least 35 years helps you avoid having your benefits reduced by the inclusion of years of \$0 wages.

In some cases, you'll actually want to work even longer. If you had some low-earning years included in your 35 – perhaps at the start of your career, or if you switched jobs and took a pay cut – you may want to make sure those years aren't included by working a few extra ones now to push them out.

But if you've got 35 years of good earnings you're happy to have included in your average wage, you're well on your way to being ready to file for your benefits.

3. You understand what "full retirement age" is and how it affects your benefits

The Social Security benefits formula determines your primary insurance amount (PIA), while the age when you actually get your PIA is called your full retirement age. Depending on when you were born, it's between 66 and 67.

Those who claim benefits prior to their FRA are subject to an early-filing penalty that reduces benefits for each month early they are. Those who delay until after their FRA are entitled to an increase in benefits from delayed retirement credits (which are also applied based on the number of months the person waits to file). Early-filing penalties shrink the size of your check by 6.7% annually for each of the first three years. The reduction in benefits is an additional 5% for each year before that. Delayed retirement credits, on the other hand, give your benefit an 8% annual boost.

It's important to understand how much filing even a month early can affect your benefit, as well as to assess how much delayed retirement credits could be worth. If you've done the calculations, you're well-positioned to decide if you're really ready to claim Social Security.

4. You have other sources of income to supplement your Social Security checks

Finally, the last key test is whether you have enough other income to live on.

Social Security is meant to be one of several sources of retirement funds, so it's not enough to cover costs on its own. While most experts recommend replacing about 70% to 90% of your pre-retirement salary (or more), your Social Security benefits will only replace about 40%. Unless you've got a nest egg to provide the rest, you aren't ready to claim your benefits.

But if you've got a large retirement account balance, you've worked out an estimated budget, and you know your Social Security checks and retirement account distributions can cover you, it may be time to get your benefits claim under way.

Are you ready to start your benefits?

Your choice about when to claim Social Security benefits can shape your financial situation for the entirety of retirement.

Make sure you look for these signs you're ready to claim your benefits. If you haven't yet talked to your spouse, you don't understand how the benefits formula works, or you're planning to over-rely on your Social Security checks, you may want to pause before acting to ensure you're truly ready.

Kindness Health Facts

Source: www.randomactsofkindness.org

KINDNESS INCREASES:

THE LOVE HORMONE

Witnessing acts of kindness produces oxytocin, occasionally referred to as the 'love hormone' which aids in lowering blood pressure and improving our overall heart-health. Oxytocin also increases our self-esteem and optimism, which is extra helpful when we're anxious or shy in a social situation.

ENERGY

"About half of participants in one study reported that they feel stronger and more energetic after helping others: many also reported feeling calmer and less depressed, with increased feelings of self-worth"

Christine Carter, UC Berkley, Greater Good Science Center

HAPPINESS

A 2010 Harvard Business School survey of happiness in 136 countries found that people who are altruistic- in this case, people who were generous financially, such as with charitable donations- were happiest overall.

KINDNESS DECREASES:

PAIN

Engaging in acts of kindness produces endorphins, the brain's natural painkiller!

STRESS

Perpetually kind people have 23% less cortisol (the stress hormone) and age slower than the average population!

ANXIETY

A group of highly anxious individuals performed at least six acts of kindness a week. After one month, there was a significant increase in positive moods, relationship satisfaction, and a decrease in social avoidance in socially anxious individuals.

University of British Columbia Study

WEEKLY UPDATES ARE AVAILABLE

LPL Financial's *Weekly Market Commentary* and *Weekly Economic Commentary* can be found on LPL Financial's website (http://www.lplfinancial.com/learning_center/research/).

OTHER UPDATES AVAILABLE FROM LPL RESEARCH DEPARTMENT

- Daily market update: <http://LPLresearch.com>
- YouTube Channel: <http://www.youtube.com/lplresearch> (which can also be found on our website)

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Your referrals mean a great deal to our business. If you know of a friend or family member who might benefit from our service, please let us know. We will work hard to ensure that your referrals feel it was a wise investment of their time – and their future- to have met with us.

Don't keep us a secret!! Share this with your family and friends.

Till next month,

The Alltrust Team

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