LIFETIME PLANNING

Social Security

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Retirement Calendar

“There is still no cure for the common birthday.” — John Glenn

Begin making catch-up contributions to 401(k) and other retirement accounts

Maximum = $6,000

No more tax penalties on early withdrawals from retirement accounts

Minimum age to receive
Social Security benefits

Eligible for Medicare Sources:

Bureau of Labor Statistics and SSA.gov, 12/31/16.

Eligible for full Social Security benefits

Minimal withdrawals from retirement accounts required; otherwise heavy tax penalties

Measuring Wealth in Time

“Wealth is not about having a lot of money. It’s about having a lot of options.” —Chris Rock

Savings ÷ Costs per Month Time

$20,000 ÷ $5,000 =	**$50,000 ÷ $5,000 =**	**$100,000 ÷ $5,000 =**	**$1,000,000 ÷ $5,000 =**	**$10,000,000 ÷ $5,000 =**
4	**10**	**20**	**200**	**2,000**
Month Financial Cushion	Month Financial Cushion	Month Financial Cushion	Month Financial Cushion	Month Financial Cushion

Wealth is measured in time, not

dollars

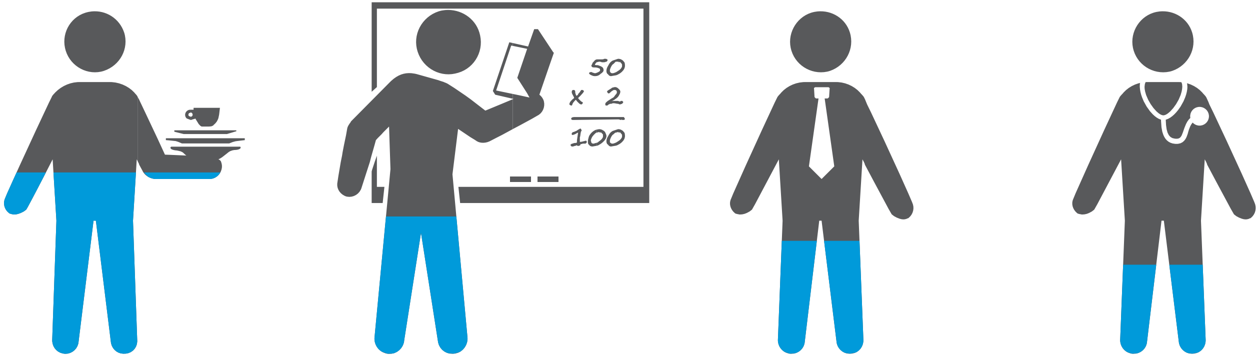
=

Slide is for illustrative purposes only.

How Much of Your Earnings Will Be Replaced by Social Security?

"We can never insure one-hundred percent of the population against one-hundred percent of the hazards and vicissitudes of life. But we have tried to frame a law which will give some measure of protection to the average citizen…against the loss of a job and against poverty-ridden old age." —Franklin Roosevelt **Retired Worker Age 65, 2015**

Earnings Low Medium High Maximum Taxable Level $20,830 $46,290 $74,060 $112,090



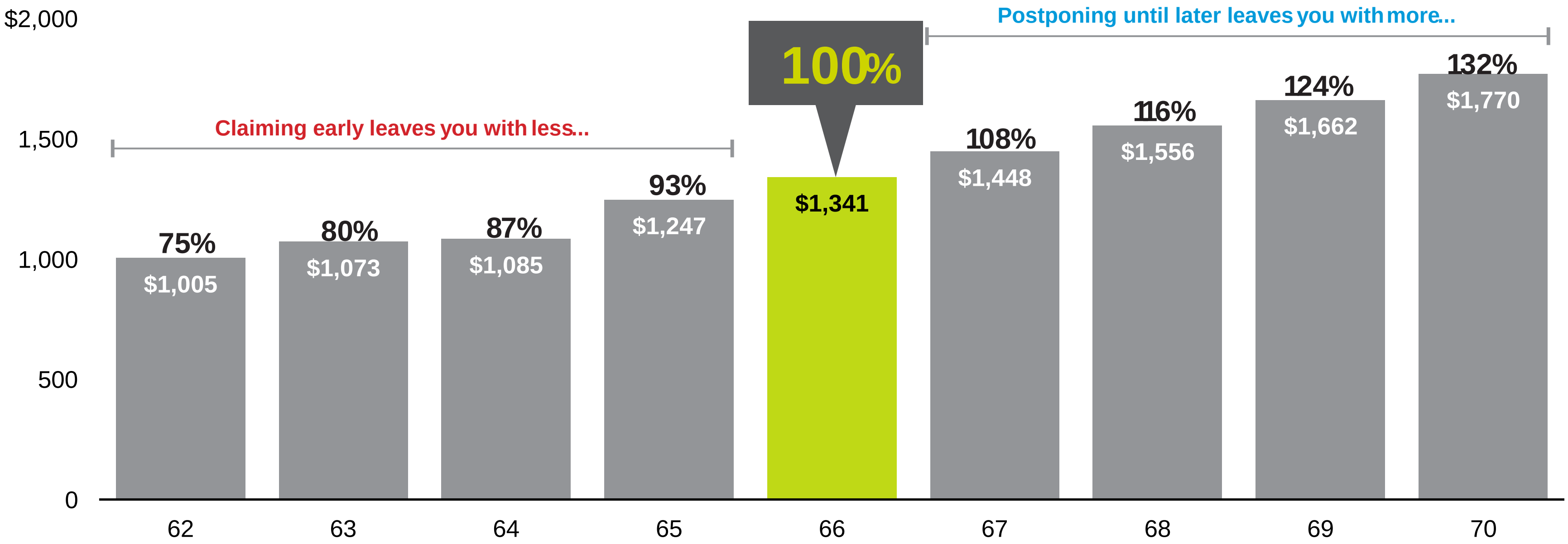
Social Security Replacement Level	53%	40%	33%	26%
	$11,120	$18,320	$24,290	$29,420

Source: Financial Engines, 12/31/14.

Social Security Monthly Payments by Claiming Age

“Sometimes you make the right decision, sometimes you make the decision right.” —Phil McGraw

Average FRA Monthly Benefit1



Source: SSA.gov, 2016.

1. For illustrative purposes only. Individual benefits will vary based on earnings history and other factors. Examples in the graphs do not reflect cost of living adjustments (COLA) or inflation. According to SSA.gov,
$1,341 was the average monthly Social Security benefit for a retired worker in January 2016. The percentages and amounts in the graphs are from
http://socialsecurity.gov/OACT/ProgData/ar_drc.html.

Social Security: Spousal Benefits

Who is eligible?

Husband and wife if married for more than 10 years

Ex-spouse if:

a) Married for > 10 years
b) Did not remarry prior to age 60

What are you entitled to?

Before 1954:
You can delay collecting your own benefit

After 1954:
When you file for one benefit, you (increasing future

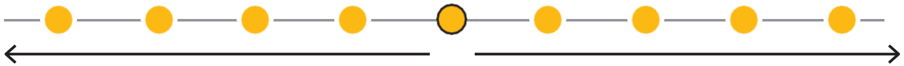
The greater of:

a) Claim based on own earnings record
b) 50% of spouse's benefit at full retirement age

What affects your benefits?

When you were born?

1951 **1952** **1953** **1954** **1955** **1956** **1957** **1958**



benefits) automatically file for all benefits

Source: SSA.gov, 12/31/16.

Social Security: Survivor Benefits

Scenario 1

Husband and wife begin collecting at age 62

$1,125/month

$1,875/month

A spouse dies:
Widow or widower receives the higher of the two benefits

$1,875/month **or** $1,875/month

Source: SSA.gov, 12/31/16.

Scenario 2

Both have reached full retirement age and both begin collecting

$2,500/month

$2,500/month

A spouse dies: Widow or widower receives the higher of the two benefits

$2,500/month **or** $2,500/month

Scenario 2

Husband reaches full retirement age and either
a) Dies before collecting –or-
b) Begins collecting

$1,500/month

Age 60
Not eligible to collect

Husband dies:
Widow becomes eligible at age 60

Age	Survivor Benefit %	Total Benefit
60	71.50%	$1,072.50
62	81.00%	$1,215
64	86.70%	$1,300.50
65	95.30%	$1,429.50
66	100%	$1,500

Wife may switch to own benefit at full retirement age if beneficial

Index Definitions

The 10-Year U.S. Treasury Yield is generally considered to be a barometer for long-term interest rates.

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs).

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S. Government and corporate bonds that includes reinvestment of dividends.

The Bloomberg Barclays Aggregate Corporate Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Barclays U.S. Aggregate Bond Index. The Bloomberg Barclays Aggregate U.S. Treasuries Index represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

The Bloomberg Barclays High Yield Bond Index covers the universe of fixed rate, non-investment-grade debt. The JPMorgan GBI-EM Global Diversified Index tracks total returns for local-currency-denominated money market instruments in the emerging markets.

The Bloomberg Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market and includes bonds rated investment-grade by at least two of the three major rating agencies (Moody's, S&P and Fitch). SBBI U.S. Large Company Stock Index is an unmanaged index of stocks of large U.S. companies.

SBBI U.S. Long-Term Government Bond Index is an unmanaged index generally representative of the bond market. SBBI U.S. Small Company Stock Index is an unmanaged index of stocks of small U.S. companies.

SBBI U.S. (30-day) Treasury Bills is generally representative of the rate of return on a savings investment.

The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Index measures the performance of mid-capitalization stocks.

The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

The S&P 500 Index is a market-capitalization weighted index of the 500 largest domestic U.S. stocks. Shiller Home Price Index tracks changes in home prices throughout the United States.

Treasury Inflation Protected Securities is generic U.S. Government inflation-index bonds.

The U.S. existing home sales median price tracks changes in residential property prices of existing single-family homes, condos and co-op sales.

Indices are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. **Past performance does not guarantee future results.**

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