



HOW 2018 SOCIAL SECURITY CHANGES IMPACT RETIREES

Each year the Social Security Administration (SSA) announces changes impacting working and retired Americans. And, as is often the case with change, both challenges and opportunities arise. The following four changes affect retirees in 2018.

Full retirement age goes up - Americans who will turn 62 in 2018 (born in 1956) will need to wait until age 66 and four months to claim their full Social Security retirement benefit. That's two months longer than those who turned 66 in 2017 and four months longer than older baby boomers born between 1943 and 1954 who have a full retirement age of 66. The full retirement age will continue to increase in two-month increments each year until it hits 67 for everyone born in 1960 or later.¹

Keep in mind, the difference between beginning benefits at age 62 vs. at full retirement age can be significant. According to SSA estimates, if you begin receiving benefits at age 62 vs. full retirement age (66 and four months), your monthly benefit will be reduced by approximately 26.7% to account for the longer time you receive benefits. If you choose to delay getting benefits until age 70, your monthly benefit will be approximately 76% more than if you started getting benefits at age 62.²

Highest cost of living adjustment in six years – retired Social Security recipients, on average, received a \$27 a month raise thanks to a two percent cost-of-living adjustment (COLA). While this is the highest cost of living increase in six years, it's still historically low since Social Security COLAs have averaged roughly 3.8% since the current method was implemented in 1975.³

Higher payments for beneficiaries - The SSA estimates that the average retired worker received a \$27 a month raise to \$1,404, and the average couple receiving benefits saw their combined monthly payments rise by \$46 to \$2,340. However, for many retirees, this year's increase could be consumed by rising Medicare Part B premiums.³

Earnings test exempt amounts go up - For beneficiaries who work while collecting Social Security, those younger than full retirement age can earn up to \$17,040 in 2018 without being penalized. Above that level, you'll lose \$1 in benefits for every \$2 earned. The earnings limit is \$45,360 for those who will hit their full retirement age in 2018.⁴ It's important to note that any benefits withheld while you continue to work are not "lost." Once you reach full retirement age, your monthly benefit will be increased permanently to account for the months in which benefits were withheld.⁵

These changes underscore the importance of retirement income planning before and during retirement. Remember, your financial advisor can help you determine the right Social Security claiming strategy for your needs and recommend adjustments to your retirement income strategy over time to accommodate changes and embrace new opportunities.

Contact the office today to schedule time to talk if you have questions about how these changes may impact your income in retirement.

1 <https://money.usnews.com/money/retirement/social-security/articles/2018-02-12/the-social-security-retirement-age-increases-in-2018>

2 <https://www.ssa.gov/pubs/EN-05-10147.pdf>

3 <https://www.ssa.gov/news/press/factsheets/colafacts2018.pdf>

4 <https://www.fool.com/retirement/2017/12/31/8-changes-to-social-security-in-2018.aspx>

5 <https://www.ssa.gov/oact/cola/rtea.html>

6 SPRING CLEANING HACKS THAT SAVE YOUR BACK

When the weather warms, there's a tendency to throw open the windows, let the fresh air in and begin tackling those spring cleaning chores. But overdoing it can be a great way to throw out your back. According to the Cleveland Clinic, up to 90 percent of people in the United States suffer from back pain at some point in their lives, and routine activities such as chores are often the cause of flare-ups.¹

Fortunately, there are a number of ways to help reduce the potential of being sidelined by an injury whether you're mopping the floors, moving furniture or heavy objects, or turning last year's garden bed. Vacuuming, for example, is frequently cited as one of the worst chores for the lower back due to the propensity to twist from the waist. To avoid this, occupational therapists recommend keeping your hips and shoulders moving toward the work. Step forward with one foot and bend slightly at the knee, allowing your upper body to stay upright in a partial lunge to reduce strain.¹

For additional ways to help save your back, consider the following tips before tackling this year's spring cleaning:

1. **Warm up.** Perform gentle stretches before and after you complete chores.
2. **Divide heavy loads** whenever possible and reach from as short a distance as possible when picking up objects, keeping the weight as close to your body as possible. When lifting heavy objects, squat rather than bend from the waist, using your knees instead of your back.
3. **Don't try to do it all at once.** Instead of cleaning all the windows in one day or weekend, divide chores over several days or even weeks to give yourself time to heal from strenuous activity.
4. **Slide and glide** heavy furniture, boxes or other objects. Use furniture sliders (special pads made of either plastic, rubber or felt that fit underneath furniture legs) to easily glide items across the floor. This helps to save not only your back, but your floors.
5. **Buddy up.** Ask a friend, neighbor or family member to help with a promise to return the favor.
6. **Know your limits.** Both pain and fatigue are signs that it's time to pause, take a break and assess if you're overdoing it. Even without pain, fatigue can lead to injury as muscles become weak and overworked.

And remember, if you suffer from chronic neck, back or joint pain, be sure to consult a healthcare professional before taking on chores or other strenuous activities that could make your condition worse.

¹ <https://health.clevelandclinic.org/got-back-pain-3-simple-tips-for-doing-chores/>

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