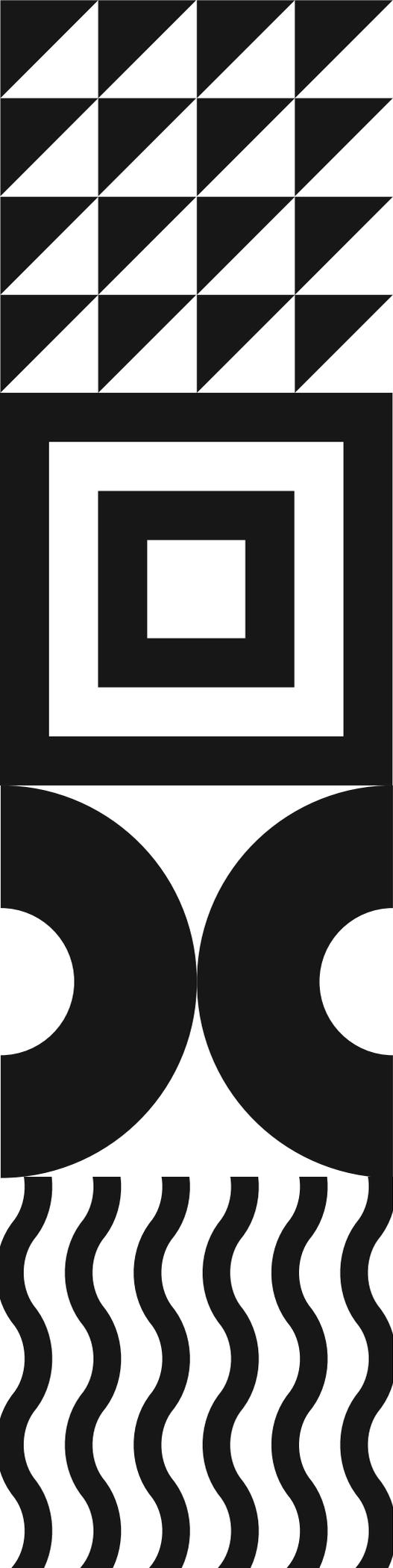


SOCIAL SECURITY SIMPLIFIED

PUT YOURSELF
IN CONTROL OF
YOUR BENEFIT.



SOCIAL SECURITY + YOUR RETIREMENT

No matter what your plans are for retirement, Social Security is likely to play a role. More than 49 million people receive Social Security retirement benefits.¹ That's nearly 90% of all people age 65 and older.²

At first glance, Social Security seems pretty simple. You pay into the system throughout your career. Then, when you retire, you start receiving monthly benefit checks that continue for life.

Pretty easy, right?

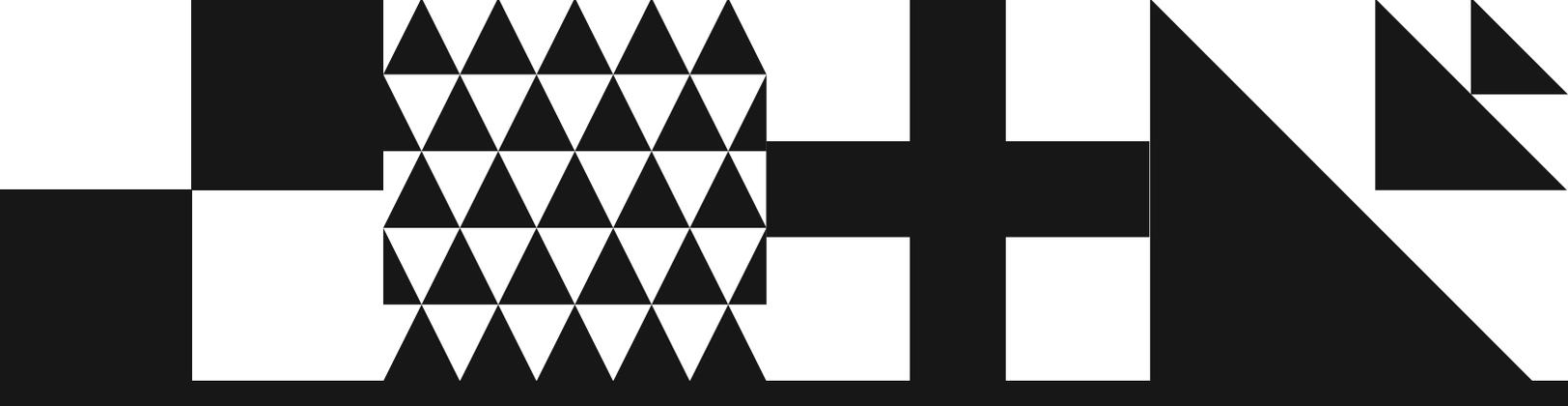
Not quite. The truth is that Social Security has a lot of moving parts. The decisions you make about when and how you file could impact your overall retirement income.

But how do you know which decisions are right for you? It starts with understanding the fundamentals of Social Security and how it plays a role in your retirement.

We'll take a look at seven commonly held beliefs about Social Security and separate fact from fiction so you can put yourself back in control and make informed decisions for your retirement.

¹ https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/

² <https://www.ssa.gov/news/press/factsheets/basicfact-ait.pdf>



YOU CAN GET SOCIAL SECURITY AT AGE 62. **FACT** *(KIND OF).*

You can file for Social Security benefits as early as age 62. BUT ... you can't get your full Social Security benefit at 62. To get your full Social Security benefit, you have to wait until you reach your full retirement age (FRA) to file.

Filing at age 62 means that you have filed before your FRA, which means your benefit could be reduced by as much as 30%.³

A few things to remember about filing early for Social Security benefits:

- The closer you are to your FRA when you file, the less your benefit will be reduced. It pays to wait.
- Reductions are permanent. If you file early, your benefit doesn't jump to the full amount when you reach your FRA. You may get cost-of-living increases, but your benefit will always be less than it would have been if you had waited until your FRA to file.
- Filing early isn't always a bad thing. Your benefit is reduced, but you do get additional years of payments. If you need the income, it may be the best option.
- Your decision on when to file should be based on your unique needs and goals. There's no universal right answer for everyone.

³ <https://www.ssa.gov/oact/quickcalc/earlyretire.html>



RETIREMENT AGE IS 65.

NOPE.

When Social Security was created in 1935, full retirement age was 65.⁴ In fact, the FRA for receiving benefits stayed at age 65 until 1983, when Congress passed the Social Security Amendments of 1983.⁵

Since that time, retirement age has slowly risen over time. Today, your full retirement age is based on the year you were born.⁶

YEAR OF BIRTH	FULL RETIREMENT AGE (FRA)
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

⁴ <https://www.ssa.gov/history/hfaq.html#:~:text=A%3A%20The%20Social%20Security%20Act,benefits%20started%20in%20January%201940>

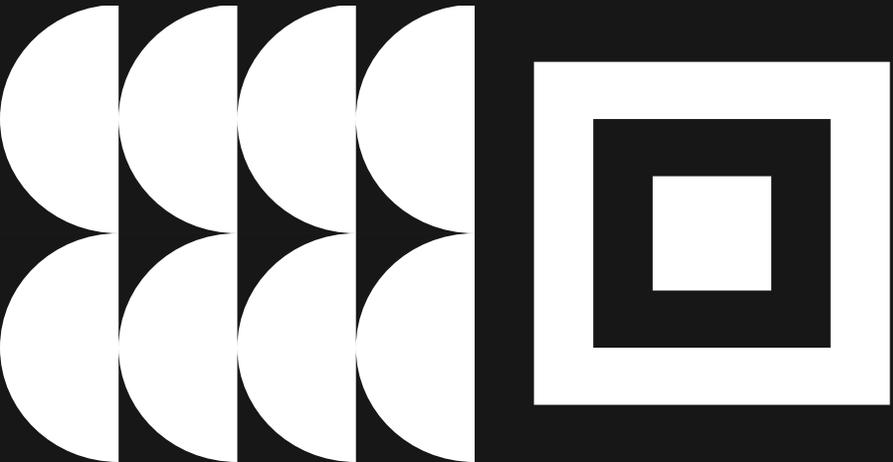
⁵ <https://www.ssa.gov/pressoffice/IncRetAge.html>

⁶ <https://www.ssa.gov/benefits/retirement/planner/agereduction.html>



**YOU HAVE TO FILE FOR
BENEFITS AT YOUR
FULL RETIREMENT
AGE (FRA).**

**NOT AT
ALL.**



You get your full Social Security benefit when you file at your FRA, but there's nothing saying you have to file at that time. In fact, you can delay your filing past your FRA, and by doing so, you can significantly increase your Social Security benefit.

You receive a credit of $\frac{2}{3}$ of 1% for each month you delay your filing past your FRA. That's an 8% credit for each year you wait, and you also get credit for all of the Social Security cost-of-living (COLA) increases. You can delay your benefit and receive credits all the way to age 70.⁷

So an early filing results in a reduced benefit and a delayed filing leads to benefit credits. Take a look at the potential benefits at different filing ages for an individual born in 1960 making \$100,000 at retirement.

Filing at age 62 \$1,677 per month

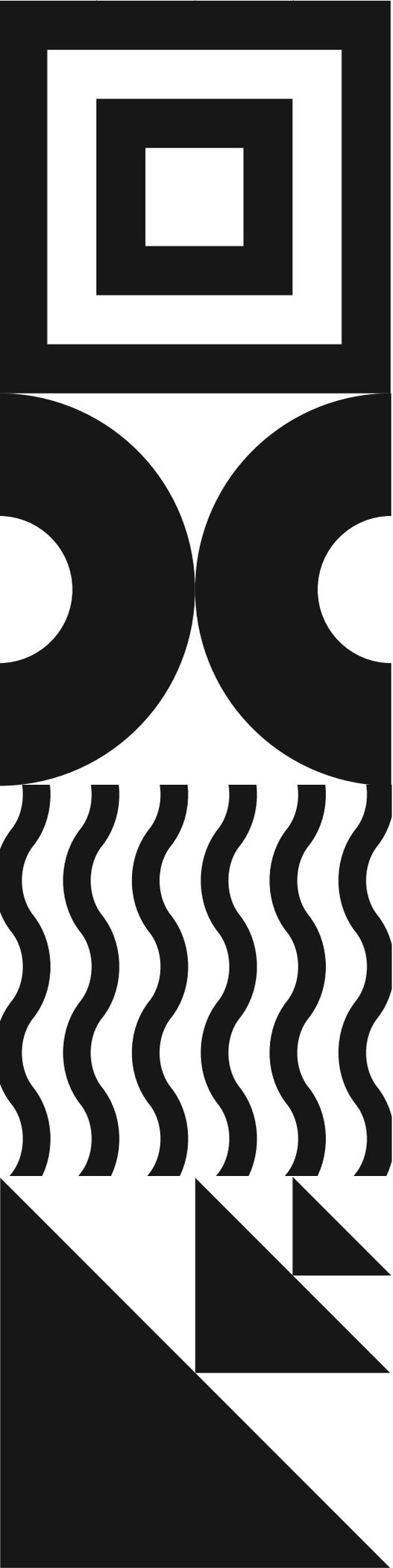
Filing at 67 (FRA) \$2,551 per month

Filing at 70 \$3,205 per month

* Benefit amounts are in today's dollars without adjustment for inflation.

The benefit at age 70 is nearly double the benefit if filed at age 62. Of course, there are instances where it makes sense to file early. It all depends on your unique needs and goals. A Social Security and retirement income strategy can help you make informed decisions about when to file.

⁷ <https://www.ssa.gov/benefits/retirement/planner/delayret.html>



SOCIAL SECURITY BENEFITS AREN'T TAXED. IT DEPENDS.

Taxes don't end when you stop working. In fact, in retirement you could pay taxes on retirement account distributions, investment gains, interest income and more, in addition to things like property taxes, sales tax, and more.

Social Security benefits could potentially be taxable in retirement, depending on something called your "combined income."

Combined income is:

**ADJUSTED GROSS INCOME +
NONTAXABLE INTEREST +
½ OF YOUR SOCIAL SECURITY BENEFITS**

Your Social Security benefit is based on your level of combined income.⁸

INDIVIDUAL FILERS:

Combined Income	Percentage of Social Security Benefit Taxed
Less than \$25,000	0%
\$25,000 - \$34,000	Up to 50%
More than \$34,000	Up to 85%

MARRIED, JOINT FILERS:

Combined Income	Percentage of Social Security Benefit Taxed
Less than \$32,000	0%
\$32,000 - \$44,000	Up to 50%
More than \$44,000	Up to 85%

The good news is you can reduce your combined income and in turn, reduce the tax exposure on your Social Security benefits. A financial professional can help you develop and implement a Social Security strategy that maximizes your income and minimizes your tax risk.

⁸ <https://www.ssa.gov/benefits/retirement/planner/taxes.html>

IF YOU WORK IN RETIREMENT, YOU LOSE YOUR SOCIAL SECURITY BENEFITS. NOT NECESSARILY.

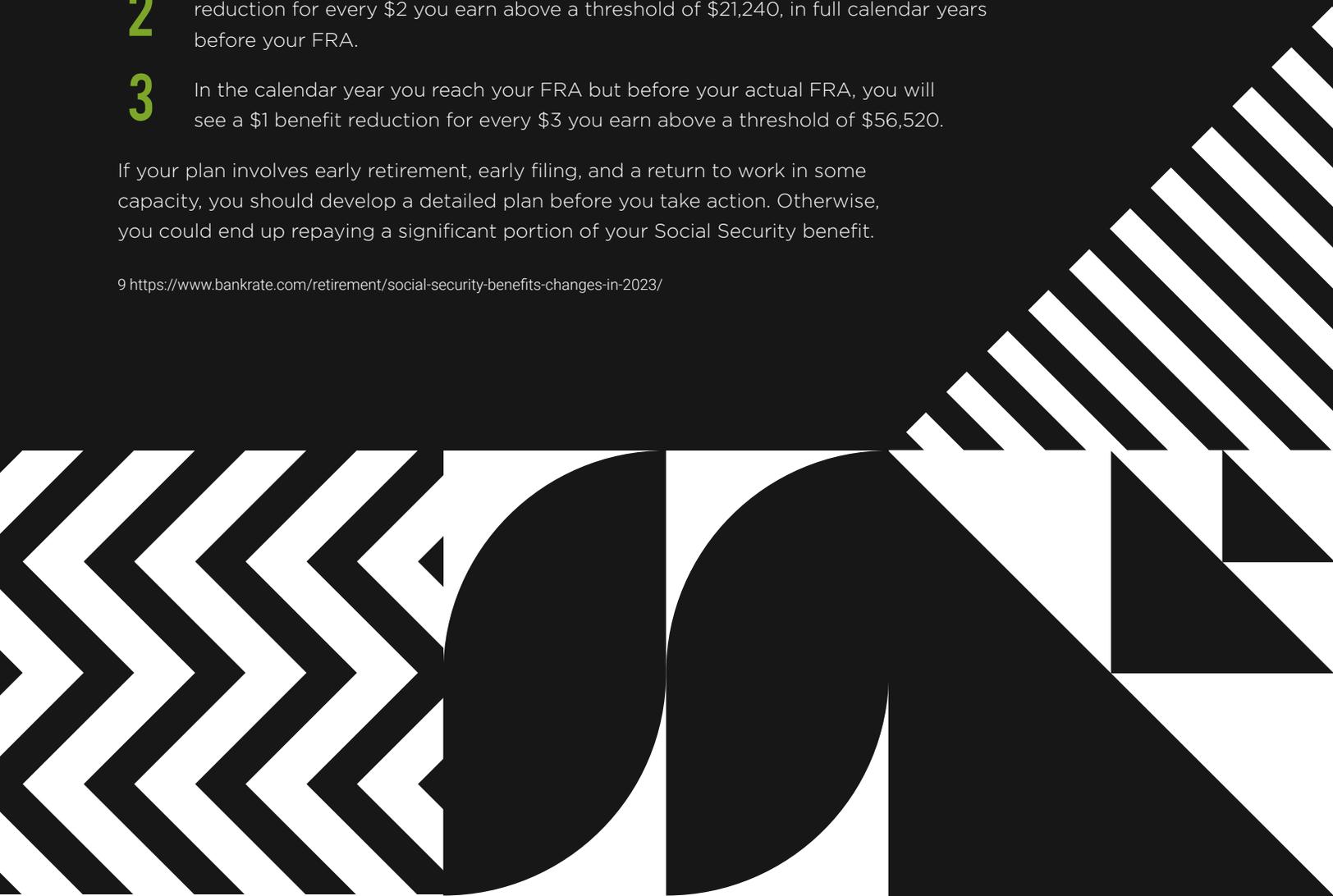
It's not uncommon for retirees to go back to work after they leave their career. Part-time or seasonal work can be fulfilling and can be a great way to stay social and keep your mind active. It can also be financially helpful as it provides supplemental income.

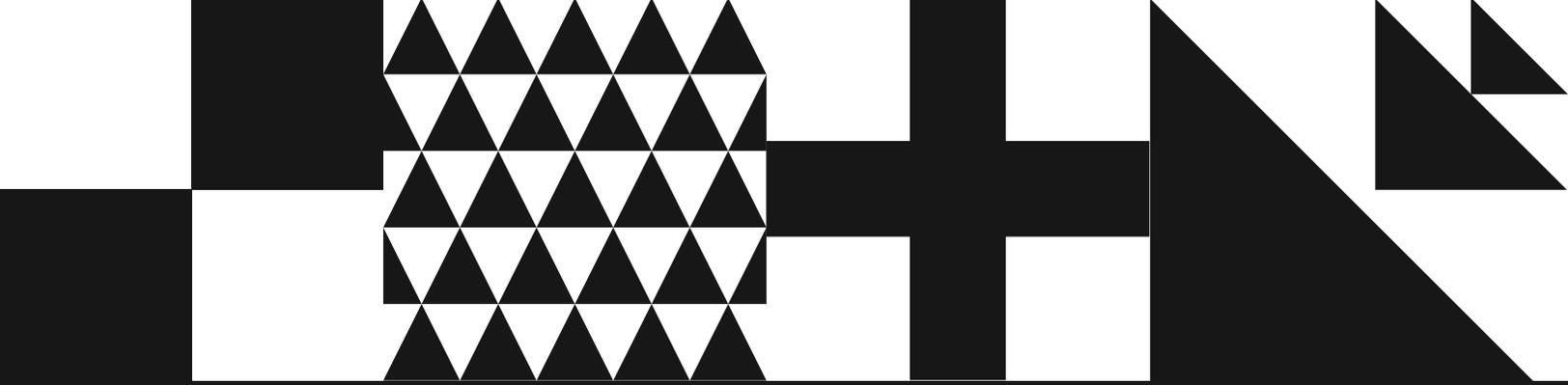
But if you don't know the rules for work in retirement, you could lose a significant portion of your Social Security benefits. Here are the three major rules to remember:⁹

- 1 Once you reach your FRA, you can work and earn as much as you want without any reduction to your benefit amount.
- 2 If you file for benefits before you reach your FRA and work, you will see a \$1 benefit reduction for every \$2 you earn above a threshold of \$21,240, in full calendar years before your FRA.
- 3 In the calendar year you reach your FRA but before your actual FRA, you will see a \$1 benefit reduction for every \$3 you earn above a threshold of \$56,520.

If your plan involves early retirement, early filing, and a return to work in some capacity, you should develop a detailed plan before you take action. Otherwise, you could end up repaying a significant portion of your Social Security benefit.

⁹ <https://www.bankrate.com/retirement/social-security-benefits-changes-in-2023/>





YOU CAN GET BENEFITS BASED ON YOUR SPOUSE'S EARNINGS. VERY MUCH SO.

Don't have much work history? Or did your spouse earn significantly more than you during your careers? You can file for benefits based on your spouse's earnings rather than yours.

Under a spousal benefit, your benefit will be up to 50% of your spouse's. Keep in mind, though, that if you file before your FRA, your benefit will be permanently reduced.

You can even file for spousal benefits based on a former spouse's earnings. As an ex-spouse, you qualify if:¹⁰

- The marriage lasted at least 10 years.
- You are unmarried.
- Your ex-spouse is 62 or older.
- Your benefit amount based on your own earnings is less than a potential spousal benefit based on your former spouse's earnings.
- You are eligible to receive Social Security benefits.

Filing for a spousal benefit does not impact your spouse or ex-spouse's benefits or their ability to file in any way. One cannot claim a spousal benefit unless the spouse or ex-spouse has applied for Social Security benefits.

A financial professional can help you estimate your spousal benefit as part of a retirement income strategy.

¹⁰ <https://www.ssa.gov/benefits/retirement/planner/applying7.html#h2>

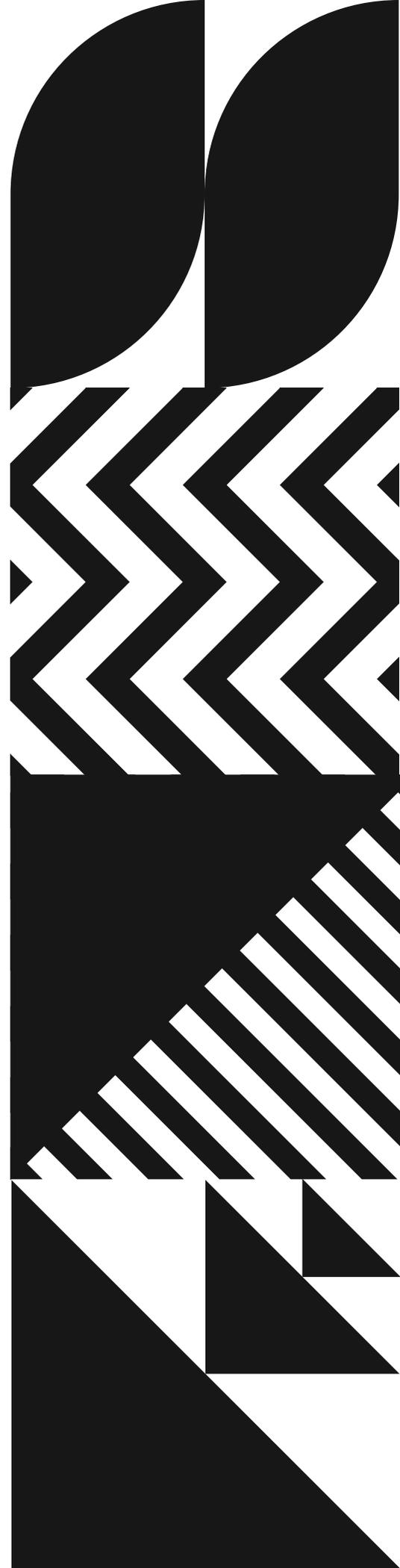
SO, WHAT'S YOUR SOCIAL SECURITY STRATEGY?

Social Security will likely play a large role in your retirement. Do you know when you should file? What about your spouse? Do you have a plan to minimize taxes on your benefits? What about coordinating potential work opportunities with your Social Security benefits?

An inclusive retirement income strategy can help you make informed choices so you maximize your benefits and minimize risk.

Remember, there are no do-overs with Social Security. Your decisions are permanent.

Get it right the first time. We're here for just that: to simplify the process and go over in detail the multitude of options you have available. Let's connect today so you stay in control of your Social Security benefit.





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