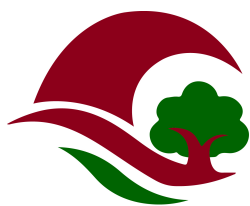

Social Security Analysis And Strategy



Retirement
Resource Management
Education, Analysis and Consulting

617 Misty Isle
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Prepared for John Divorced

Prepared on September 14, 2016

How Your Benefit Eligibility is Determined

Your benefit eligibility will depend on:

1. How much you earned over your working career
2. The age at which you apply for benefits

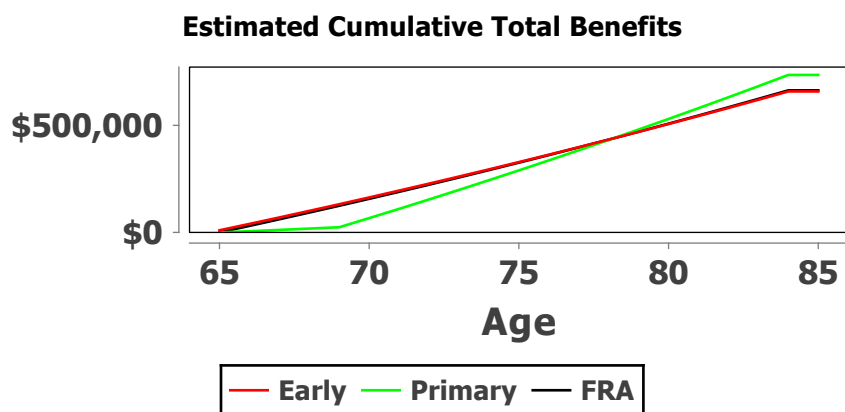
In addition, because you indicated that you were married for at least ten years, you may be eligible for divorced spouse benefits and surviving divorced spouse benefits based on your former spouse's earnings record.

Social Security benefits are based on average earnings over your highest 35 years of income, with earnings through age 60 indexed to reflect increases in U.S. workers' average wage level. For example, if the wage level in the U.S. is twice as high when you turn 60 as when you were 40, the formula doubles your age 40 earnings. If you worked less than 35 years, the "missing" years are calculated as zero. The maximum income in any year is equal to that year's maximum income subject to Social Security taxes.

If you claim benefits earlier than your Full Retirement Age (FRA) and continue to have more than a modest amount of earned income (e.g., wages and salary), you may lose some or all of your Social Security benefits. In addition, if you had wages from work not covered by Social Security, then the Social Security Administration's estimates of your benefits may be substantially too high.

How Your Primary Strategy Makes a Difference

Your primary strategy for claiming Social Security benefits is customized to your specific situation and is based on the information you provided. To create your primary strategy, our firm analyzed all the possible claiming strategies available to you and the overall benefit each would render. We weighed many factors in suggesting this strategy for you, including monthly benefit amount, your life expectancy, your marital status and others.



We have suggested a claiming strategy that would pay about

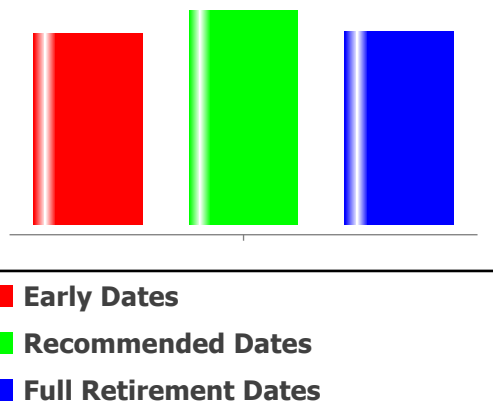
\$735,514

over your remaining life expectancy. The details of this strategy and how it works are discussed in this report.

Your primary strategy was created using the expected lifetime of 85. Given these factors, you need to maximize benefits for a potentially long life.

Lifetime Income By Starting Dates

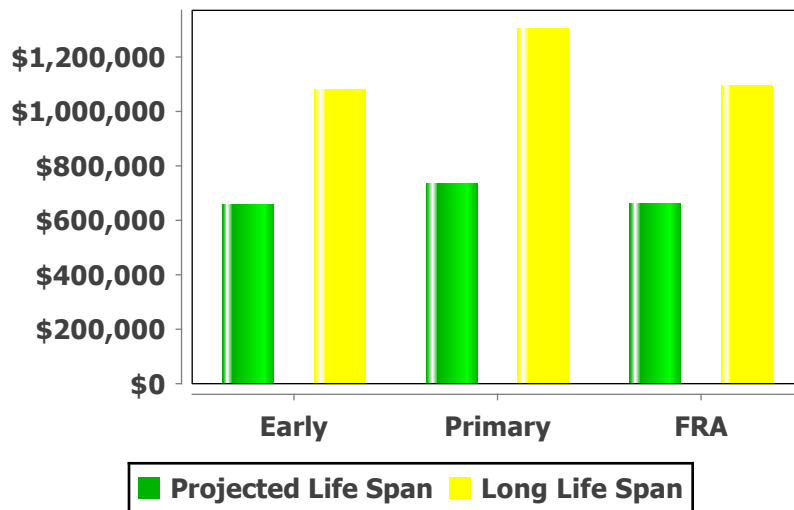
The graph on the right represents the cumulative lifetime benefits you could expect to receive over your life expectancy if you took benefits early (represented by the red bar), at Full Retirement Age (represented by the blue bar), or according to the primary strategy we have created for you (represented by the green bar).



Protection Against Longevity Risk

The best strategy for you balances your cumulative lifetime benefits with the income you can expect to receive from Social Security and any other assets should you live longer than the age you provided, 85 years. This concept is known as "longevity risk," or the risk that you will run out of money in your lifetime.

The reason this is an important part of your Social Security decision is that, the longer your life, the longer your retirement savings must last. Getting more from your Social Security benefits means that you will need to withdraw less from your portfolio over the years.



The green bar in the graph on the left illustrates the cumulative lifetime benefit you could expect to receive should you live to the exact life expectancy you provided. The yellow bar represents the comparative value of the cumulative lifetime benefits should you live 10 years longer than expected.

The Difference a Long Life Makes

The table below shows the approximate value of your lifetime cumulative benefits over your life expectancy if you choose to take benefits early, at Full Retirement Age or according to the primary strategy we have created for you. The Short Life Span row illustrates the amount if you live 10 years less than you plan. The Normal Life Span row illustrates the amount if you live to the exact age you provided. The Long Life Span row is the amount you could expect if you live 10 years longer than expected.

| | Early Age | Primary Age | Full Retirement Age |
|---------------------|-------------|-------------|---------------------|
| Short Life Span | \$294,350 | \$243,801 | \$291,046 |
| Projected Life Span | \$658,579 | \$735,514 | \$663,560 |
| Long Life Span | \$1,081,210 | \$1,306,067 | \$1,095,803 |

Important Filing Dates

In order for you to take advantage of this strategy, you should pay close attention to these filing dates:

- John files a restricted application for spousal benefits only in the estimated amount of \$500 in February 2017 at age 66 and 1 mos.
- John switches to benefits based on his earnings record in the estimated amount of \$3,555 in January 2021 at age 70.
- If your former spouse predeceases you, you may be eligible for a larger benefit and should contact the Social Security Administration at that time. You may be able to receive a surviving divorced spouse benefit if it would be larger than the benefit you were collecting at the death of your former spouse.

Be sure to file for benefits about three months before you expect to receive your first payment.

Schedule 1

Breakeven Analysis comparing two strategies:

| Year | John | Early | | | Primary | | | Difference |
|------------------|------|-------------------|-----------------|---------------------|-------------------|-----------------|---------------------|-------------|
| | | John (PIA=2500.0) | Annual Benefits | Cumulative Benefits | John (PIA=2500.0) | Annual Benefits | Cumulative Benefits | |
| 2016 | 65 | \$2,444 | \$9,778 | \$9,778 | \$0 | \$0 | \$0 | (\$9,778) |
| 2017 | 66 | \$2,481 | \$29,772 | \$39,550 | \$500 | \$5,500 | \$5,500 | (\$34,050) |
| 2018 | 67 | \$2,518 | \$30,217 | \$69,767 | \$507 | \$6,089 | \$11,589 | (\$58,178) |
| 2019 | 68 | \$2,556 | \$30,671 | \$100,437 | \$515 | \$6,180 | \$17,769 | (\$82,668) |
| 2020 | 69 | \$2,594 | \$31,130 | \$131,568 | \$523 | \$6,272 | \$24,041 | (\$107,527) |
| 2021 | 70 | \$2,633 | \$31,596 | \$163,164 | \$3,555 | \$42,655 | \$66,696 | (\$96,468) |
| 2022 | 71 | \$2,672 | \$32,069 | \$195,233 | \$3,608 | \$43,294 | \$109,990 | (\$85,243) |
| 2023 | 72 | \$2,712 | \$32,549 | \$227,781 | \$3,662 | \$43,942 | \$153,931 | (\$73,850) |
| 2024 | 73 | \$2,753 | \$33,037 | \$260,819 | \$3,717 | \$44,600 | \$198,532 | (\$62,287) |
| 2025 | 74 | \$2,794 | \$33,532 | \$294,350 | \$3,772 | \$45,269 | \$243,801 | (\$50,549) |
| 2026 | 75 | \$2,836 | \$34,034 | \$328,385 | \$3,829 | \$45,947 | \$289,747 | (\$38,638) |
| 2027 | 76 | \$2,879 | \$34,544 | \$362,929 | \$3,886 | \$46,636 | \$336,383 | (\$26,546) |
| 2028 | 77 | \$2,922 | \$35,062 | \$397,991 | \$3,945 | \$47,334 | \$383,717 | (\$14,274) |
| 2029 | 78 | \$2,966 | \$35,587 | \$433,578 | \$4,004 | \$48,043 | \$431,760 | (\$1,818) |
| Break Even Point | | | | | | | | |
| 2030 | 79 | \$3,010 | \$36,120 | \$469,698 | \$4,064 | \$48,763 | \$480,523 | \$10,825 |
| 2031 | 80 | \$3,055 | \$36,661 | \$506,359 | \$4,124 | \$49,493 | \$530,016 | \$23,657 |
| 2032 | 81 | \$3,101 | \$37,211 | \$543,570 | \$4,186 | \$50,234 | \$580,250 | \$36,680 |
| 2033 | 82 | \$3,147 | \$37,768 | \$581,337 | \$4,249 | \$50,987 | \$631,237 | \$49,900 |
| 2034 | 83 | \$3,194 | \$38,333 | \$619,670 | \$4,313 | \$51,750 | \$682,987 | \$63,317 |
| 2035 | 84 | \$3,242 | \$38,909 | \$658,579 | \$4,377 | \$52,526 | \$735,514 | \$76,935 |
| 2036 | 85 | \$0 | \$0 | \$658,579 | \$0 | \$0 | \$735,514 | \$76,935 |

Schedule 2

Retirement Needs Analysis comparing two strategies and the cumulative withdrawals from your financial portfolio each will require to meet your spending needs.

| Age | Annual Spending | Early | | | | Primary | | | | Difference |
|------------------|-----------------|---------------|-----------------|-------------------|-----------------------|---------------|-----------------|-------------------|-----------------------|------------|
| | | John Divorced | Annual Benefits | Annual Withdrawal | Cumulative Withdrawal | John Divorced | Annual Benefits | Annual Withdrawal | Cumulative Withdrawal | |
| 65 | \$50,000 | \$2,444 | \$9,778 | \$40,222 | \$40,222 | \$0 | \$0 | \$50,000 | \$50,000 | \$9,778 |
| 66 | \$51,500 | \$2,481 | \$29,772 | \$21,728 | \$61,950 | \$500 | \$5,500 | \$46,000 | \$96,000 | \$34,050 |
| 67 | \$53,045 | \$2,518 | \$30,217 | \$22,828 | \$84,778 | \$507 | \$6,089 | \$46,956 | \$142,956 | \$58,178 |
| 68 | \$54,636 | \$2,556 | \$30,671 | \$23,965 | \$108,743 | \$515 | \$6,180 | \$48,456 | \$191,412 | \$82,669 |
| 69 | \$56,275 | \$2,594 | \$31,130 | \$25,145 | \$133,888 | \$523 | \$6,272 | \$50,003 | \$241,415 | \$107,527 |
| 70 | \$57,964 | \$2,633 | \$31,596 | \$26,368 | \$160,256 | \$3,555 | \$42,655 | \$15,309 | \$256,724 | \$96,468 |
| 71 | \$59,703 | \$2,672 | \$32,069 | \$27,634 | \$187,890 | \$3,608 | \$43,294 | \$16,409 | \$273,133 | \$85,243 |
| 72 | \$61,494 | \$2,712 | \$32,549 | \$28,945 | \$216,835 | \$3,662 | \$43,942 | \$17,552 | \$290,685 | \$73,850 |
| 73 | \$63,339 | \$2,753 | \$33,037 | \$30,302 | \$247,137 | \$3,717 | \$44,600 | \$18,739 | \$309,424 | \$62,287 |
| 74 | \$65,239 | \$2,794 | \$33,532 | \$31,707 | \$278,844 | \$3,772 | \$45,269 | \$19,970 | \$329,394 | \$50,550 |
| 75 | \$67,196 | \$2,836 | \$34,034 | \$33,162 | \$312,006 | \$3,829 | \$45,947 | \$21,249 | \$350,643 | \$38,637 |
| 76 | \$69,212 | \$2,879 | \$34,544 | \$34,668 | \$346,674 | \$3,886 | \$46,636 | \$22,576 | \$373,219 | \$26,545 |
| 77 | \$71,288 | \$2,922 | \$35,062 | \$36,226 | \$382,900 | \$3,945 | \$47,334 | \$23,954 | \$397,173 | \$14,273 |
| 78 | \$73,427 | \$2,966 | \$35,587 | \$37,840 | \$420,740 | \$4,004 | \$48,043 | \$25,384 | \$422,557 | \$1,817 |
| Break Even Point | | | | | | | | | | |
| 79 | \$75,629 | \$3,010 | \$36,120 | \$39,509 | \$460,249 | \$4,064 | \$48,763 | \$26,866 | \$449,423 | (\$10,826) |
| 80 | \$77,898 | \$3,055 | \$36,661 | \$41,237 | \$501,486 | \$4,124 | \$49,493 | \$28,405 | \$477,828 | (\$23,658) |
| 81 | \$80,235 | \$3,101 | \$37,211 | \$43,024 | \$544,510 | \$4,186 | \$50,234 | \$30,001 | \$507,829 | (\$36,681) |
| 82 | \$82,642 | \$3,147 | \$37,768 | \$44,874 | \$589,384 | \$4,249 | \$50,987 | \$31,655 | \$539,484 | (\$49,900) |
| 83 | \$85,122 | \$3,194 | \$38,333 | \$46,789 | \$636,173 | \$4,313 | \$51,750 | \$33,372 | \$572,856 | (\$63,317) |
| 84 | \$87,675 | \$3,242 | \$38,909 | \$48,766 | \$684,939 | \$4,377 | \$52,526 | \$35,149 | \$608,005 | (\$76,934) |
| 85 | \$90,306 | \$0 | \$0 | \$90,306 | \$775,245 | \$0 | \$0 | \$90,306 | \$698,311 | (\$76,934) |

Important Disclosure

The Balanced Budget Act of 2015 created changes to the rules of Social Security. These rule changes, as interpreted by Social Security Solutions, Inc., have been implemented in the software that produced this report. However, at the time of the printing of this report, the Social Security Administration had not released definitive policies regarding the rule changes. Therefore, it remains possible that there will be additional changes to the rules and to the software at a later date. You should not proceed with any claiming strategy without seeking advice from a qualified financial professional.

This report is for informational purposes only. All the information provided is based on Social Security rules, benefit calculations, and payout promises of existing Social Security policy at the time this report was printed. The purpose of the report is to educate and give general guidance to help craft a personalized approach to taking Social Security.

The Social Security claiming strategy highlighted in this report was generated based on information you provided. That information included estimates of your and, when applicable, your spouse's Primary Insurance Amount, life expectancy(ies), and date(s) of birth. If this information you provided, including your life expectancy projection(s), should prove wrong after the fact, then the primary strategy may not be the best strategy after the fact. Before selecting this or any other claiming strategy, you should analyze and compare it with other scenarios generated by your financial professional. The optimal strategy for a specific client depends, in part, on that client's tradeoff between the goals of maximizing expected lifetime benefits and minimizing the risk of outliving his or her financial assets. As such, it is ultimately the responsibility of the client to carefully consider the primary strategy before adopting it as his, her or their own. This report should be used only as a general guideline and not as the ultimate source of information about Social Security claiming strategies.

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This report and the analysis here within are based on certain assumptions selected by the financial professional who produced this report using our software about future economic conditions and events that may not turn out to be correct. The analysis in this report assumes the average wage growth will follow the predictions laid out in None, a cost of living adjustment in the amount of 1.5 percent will be given each year in the future, and future dollar amounts are discounted at a rate of 0.0 percent. Social Security Solutions, Inc. is under no obligation to update such written statements if conditions change or unexpected occurrences happen to affect the report afterwards.