Social Security Analysis And Strategy

Retirement
Resource Management
Education, Analysis and Consulting

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Key Assumptions about This Report

As you review your Social Security Analysis and Strategy Report, please keep in mind that

1. This report is designed to illustrate the importance of your decision on when to begin Social Security benefits and to help you decide the best strategy for your situation. Detailed analysis is needed to compare different strategies side by side, especially if you are married and spousal benefits are considered.
2. This report is provided for informational purposes only. The information and data should not be acted upon or taken as advice. The purpose of the report is to educate and give general guidance to help you craft a personalized approach in taking Social Security.
3. All the information provided is based on current Social Security rules, benefits calculations, and payout promises on existing funding levels.

Key Terms

You may find some of these key terms throughout your report.

Children's (or Family) Benefits: Benefits received by dependent children that supplement family income.

Cumulative Benefits: Lifetime payout of Social Security benefits.

Delayed Retirement Credits: Increases in monthly Social Security benefits if you delay taking benefits.

Delayed Strategy: Claiming benefits after Full Retirement Age (FRA) in order to receive increased benefits.

Divorced Benefits: Benefits paid to the divorced spouse of an eligible worker to whom you were married at least 10 years.

Early Strategy: Claiming benefits at any time before Full Retirement Age (FRA).

Earnings Record: The history of your earnings for the years you have worked in your lifetime.

Earnings Test: The reduction in benefits taken if you continue to work while receiving benefits before you reach Full Retirement Age (FRA). Once you reach FRA, the earnings test does not apply to your income, and there is no limit on your earnings.

File and Suspend: A Social Security policy allowing a worker to file an application for retirement benefits but immediately suspend payments. This makes the worker's spouse eligible to file for and receive spousal benefits. This also allows the worker's benefit to accrue delayed retirement credits. However, the Bipartisan Budget Act of 2015 has altered this policy. Beginning 180 days after the date the act was signed into law, no benefits will be paid to any family members when a worker's benefits are suspended.

Full Retirement Age: The age at which you are eligible for your full monthly benefit.

Government Pension Offset (GPO): A provision that reduces and may eliminate the amount of spousal and survivor benefits paid to an individual who is eligible for a pension from work not covered by Social Security taxes.

Inflation: A decrease in the value and purchasing power of money.

Longevity Risk: The risk of running out of resources in your lifetime.

Monthly Benefit Amount: Also known as your Primary Insurance Amount (PIA), this is the benefit you will receive at your Full Retirement Age (FRA).

Non-Covered Pension: Some workers, especially state government employees including teachers, are eligible for a pension for work where Social Security taxes were not withheld from or paid on earnings. Such a pension is known as a non-covered pension.

Primary Insurance Amount: The monthly benefit amount based on your earnings record if you begin your benefits at your full retirement age.

Restricted Application: When a worker is eligible for both his or her own benefit and a spousal benefit, a restricted application can be filed for spousal benefits only, meaning the worker's own benefit will continue to accrue delayed retirement credits. However, the Bipartisan Budget Act of 2015 has altered this policy. Beginning 180 days after the date the act was signed into law, only people age 62 or older on or before January 1, 2016, will have the option to restrict an application for spousal benefits only.

Spousal Benefits: Benefits paid to the spouse of an eligible worker. You must be at least age 62 to claim spousal benefits.

Survivor Benefits: Benefits paid to the surviving spouse of a deceased eligible worker.

WEP-PIA:This term applies to someone who is eligible for a pension from work not covered by Social Security taxes. The WEP-PIA reflects the adjustment to your Primary Insurance Amount because of the Windfall Elimination Provision (WEP).

Windfall Elimination Provision (WEP):A provision that may reduce Social Security benefits based on your earnings history if you are eligible to receive a pension from work not covered by Social Security.

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

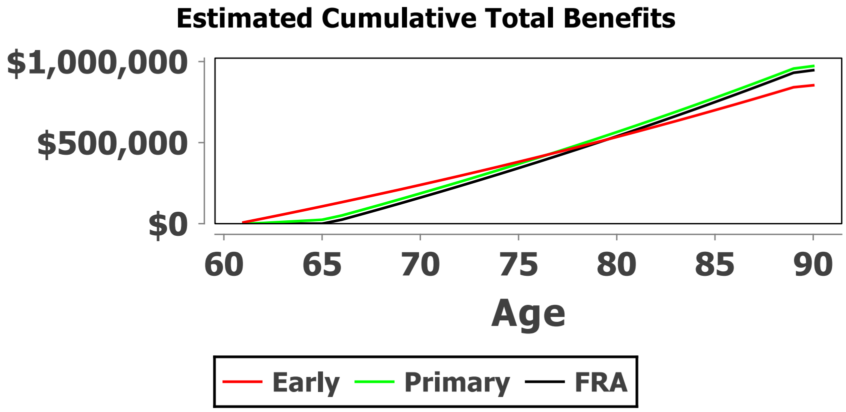
In addition, you may be eligible for survivor benefits based on your deceased spouse's earnings record.

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.



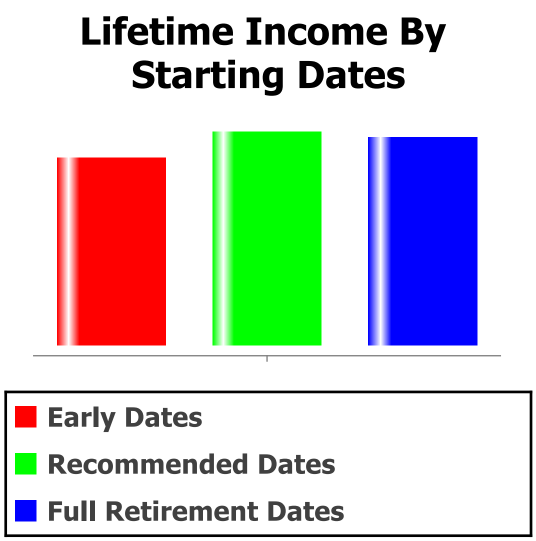
We have suggested a claiming strategy that would pay about

$972,576

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 90. Given these factors, you need to maximize benefits for a potentially long life.

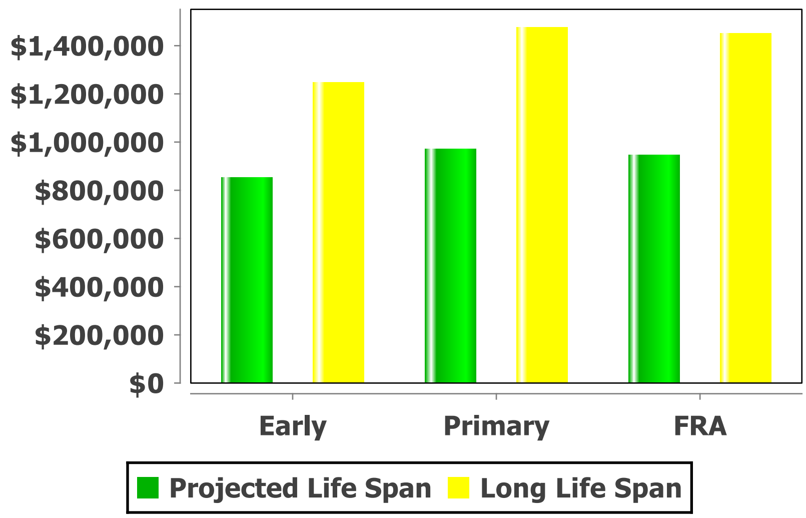
The graph on the right represents the cumulative lifetime benefits you could expect to receive over your life expectancy if you took benefits early (represented by the red bar), at Full Retirement Age (represented by the blue bar), or according to the primary strategy we have created for you (represented 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, 90 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	$513,891	$538,027	$512,108
Projected Life Span	$853,828	$972,576	$946,657
Long Life Span	$1,248,291	$1,476,824	$1,450,905

Important Filing Dates

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

- Jane begins benefits based on her earnings record in the estimated amount of $537 in May 2017 at age 62 and 1 mos.
- In April 2021 Jane switches to survivor benefits in the estimated amount of $2,734.

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	Jane	Early			Primary			Difference
		Jane (PIA=720.0)	Annual Benefits	Cumulative Benefits	Jane (PIA=720.0)	Annual Benefits	Cumulative Benefits	
2016	61	$1,985	$7,942	$7,942	$0	$0	$0	($7,942)
2017	62	$2,015	$24,181	$32,123	$537	$4,296	$4,296	($27,827)
2018	63	$2,045	$24,544	$56,666	$545	$6,540	$10,836	($45,830)
2019	64	$2,076	$24,912	$81,578	$553	$6,637	$17,473	($64,105)
2020	65	$2,107	$25,285	$106,864	$561	$6,737	$24,210	($82,654)
2021	66	$2,139	$25,664	$132,528	$2,734	$26,315	$50,525	($82,003)
2022	67	$2,171	$26,050	$158,577	$2,775	$33,300	$83,825	($74,752)
2023	68	$2,203	$26,441	$185,018	$2,817	$33,799	$117,625	($67,393)
2024	69	$2,236	$26,837	$211,855	$2,859	$34,306	$151,930	($59,925)
2025	70	$2,270	$27,238	$239,093	$2,902	$34,819	$186,749	($52,344)
2026	71	$2,304	$27,647	$266,739	$2,945	$35,341	$222,091	($44,648)
2027	72	$2,338	$28,061	$294,800	$2,989	$35,870	$257,961	($36,839)
2028	73	$2,373	$28,481	$323,281	$3,034	$36,408	$294,369	($28,912)
2029	74	$2,409	$28,908	$352,189	$3,080	$36,954	$331,323	($20,866)
2030	75	$2,445	$29,341	$381,530	$3,126	$37,507	$368,830	($12,700)
2031	76	$2,482	$29,780	$411,311	$3,172	$38,069	$406,899	($4,412)
Break Even Point								
2032	77	$2,519	$30,227	$441,537	$3,220	$38,639	$445,538	$4,001
2033	78	$2,557	$30,679	$472,217	$3,268	$39,217	$484,755	$12,538
2034	79	$2,595	$31,139	$503,355	$3,317	$39,805	$524,560	$21,205
2035	80	$2,634	$31,606	$534,961	$3,367	$40,402	$564,962	$30,001
2036	81	$2,673	$32,080	$567,041	$3,417	$41,008	$605,969	$38,928
2037	82	$2,713	$32,560	$599,600	$3,469	$41,622	$647,591	$47,991
2038	83	$2,754	$33,048	$632,648	$3,521	$42,246	$689,837	$57,189
2039	84	$2,795	$33,544	$666,192	$3,573	$42,880	$732,717	$66,525
2040	85	$2,837	$34,046	$700,238	$3,627	$43,522	$776,238	$76,000
2041	86	$2,880	$34,556	$734,795	$3,681	$44,174	$820,413	$85,618
2042	87	$2,923	$35,075	$769,869	$3,736	$44,837	$865,250	$95,381
2043	88	$2,967	$35,600	$805,470	$3,792	$45,509	$910,758	$105,288
2044	89	$3,011	$36,133	$841,603	$3,849	$46,190	$956,949	$115,346
2045	90	$3,056	$12,225	$853,828	$3,907	$15,628	$972,576	$118,748

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
		Jane Widow	Annual Benefits	Annual Withdrawal	Cumulative Withdrawal	Jane Widow	Annual Benefits	Annual Withdrawal	Cumulative Withdrawal	
61	$50,000	$1,985	$7,942	$42,058	$42,058	$0	$0	$50,000	$50,000	$7,942
62	$51,500	$2,015	$24,181	$27,319	$69,377	$537	$4,296	$47,204	$97,204	$27,827
63	$53,045	$2,045	$24,544	$28,501	$97,878	$545	$6,540	$46,505	$143,709	$45,831
64	$54,636	$2,076	$24,912	$29,724	$127,602	$553	$6,637	$47,999	$191,708	$64,106
65	$56,275	$2,107	$25,285	$30,990	$158,592	$561	$6,737	$49,538	$241,246	$82,654
66	$57,964	$2,139	$25,664	$32,300	$190,892	$2,734	$26,315	$31,649	$272,895	$82,003
67	$59,703	$2,171	$26,050	$33,653	$224,545	$2,775	$33,300	$26,403	$299,298	$74,753
68	$61,494	$2,203	$26,441	$35,053	$259,598	$2,817	$33,799	$27,695	$326,993	$67,395
69	$63,339	$2,236	$26,837	$36,502	$296,100	$2,859	$34,306	$29,033	$356,026	$59,926
70	$65,239	$2,270	$27,238	$38,001	$334,101	$2,902	$34,819	$30,420	$386,446	$52,345
71	$67,196	$2,304	$27,647	$39,549	$373,650	$2,945	$35,341	$31,855	$418,301	$44,651
72	$69,212	$2,338	$28,061	$41,151	$414,801	$2,989	$35,870	$33,342	$451,643	$36,842
73	$71,288	$2,373	$28,481	$42,807	$457,608	$3,034	$36,408	$34,880	$486,523	$28,915
74	$73,427	$2,409	$28,908	$44,519	$502,127	$3,080	$36,954	$36,473	$522,996	$20,869
75	$75,629	$2,445	$29,341	$46,288	$548,415	$3,126	$37,507	$38,122	$561,118	$12,703
76	$77,898	$2,482	$29,780	$48,118	$596,533	$3,172	$38,069	$39,829	$600,947	$4,414
Break Even Point										
77	$80,235	$2,519	$30,227	$50,008	$646,541	$3,220	$38,639	$41,596	$642,543	($3,998)
78	$82,642	$2,557	$30,679	$51,963	$698,504	$3,268	$39,217	$43,425	$685,968	($12,536)
79	$85,122	$2,595	$31,139	$53,983	$752,487	$3,317	$39,805	$45,317	$731,285	($21,202)
80	$87,675	$2,634	$31,606	$56,069	$808,556	$3,367	$40,402	$47,273	$778,558	($29,998)
81	$90,306	$2,673	$32,080	$58,226	$866,782	$3,417	$41,008	$49,298	$827,856	($38,926)
82	$93,015	$2,713	$32,560	$60,455	$927,237	$3,469	$41,622	$51,393	$879,249	($47,988)
83	$95,805	$2,754	$33,048	$62,757	$989,994	$3,521	$42,246	$53,559	$932,808	($57,186)
84	$98,679	$2,795	$33,544	$65,135	$1,055,129	$3,573	$42,880	$55,799	$988,607	($66,522)
85	$101,640	$2,837	$34,046	$67,594	$1,122,723	$3,627	$43,522	$58,118	$1,046,725	($75,998)
86	$104,689	$2,880	$34,556	$70,133	$1,192,856	$3,681	$44,174	$60,515	$1,107,240	($85,616)
87	$107,830	$2,923	$35,075	$72,755	$1,265,611	$3,736	$44,837	$62,993	$1,170,233	($95,378)
88	$111,064	$2,967	$35,600	$75,464	$1,341,075	$3,792	$45,509	$65,555	$1,235,788	($105,287)
89	$114,396	$3,011	$36,133	$78,263	$1,419,338	$3,849	$46,190	$68,206	$1,303,994	($115,344)
90	$117,828	$3,056	$12,225	$105,603	$1,524,941	$3,907	$15,628	$102,200	$1,406,194	($118,747)

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.