

Show Clients When To Claim Their Social Security Benefits

Advisor Briefing



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Director of Retirement and Life Planning
Horseshmouth

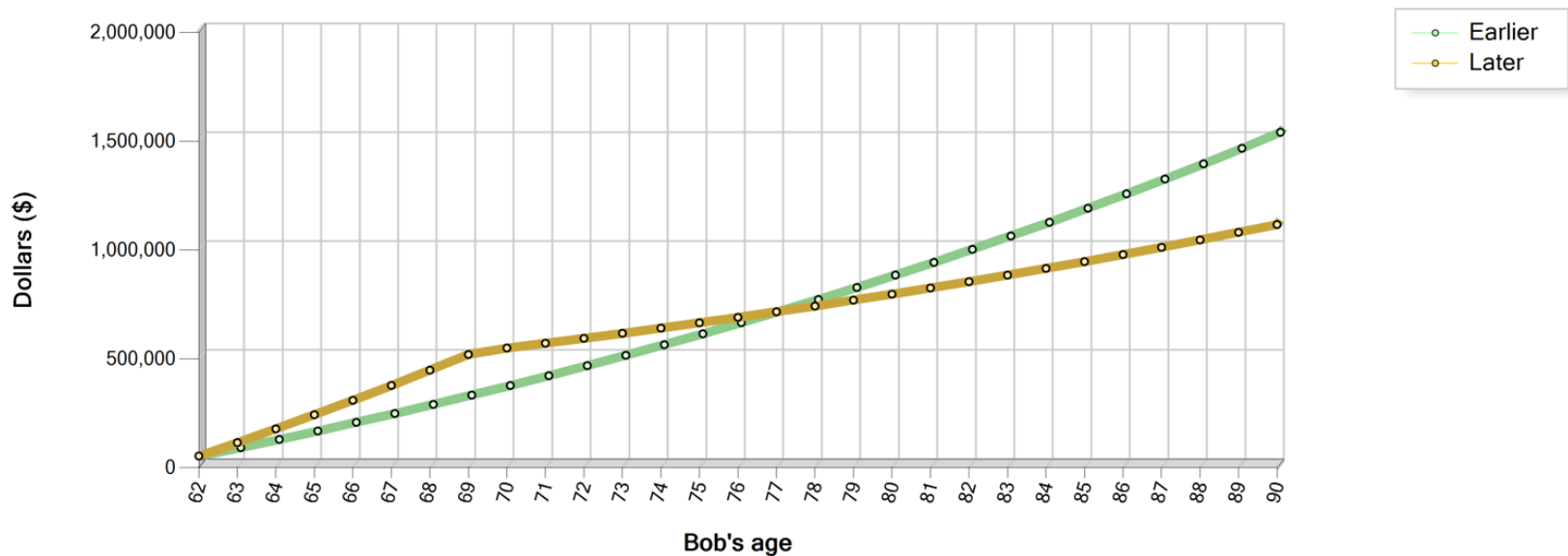
Early retiree

- Age 61 now
- 60,000 spending need
- Social Security benefit (not counting COLAs):
 - Claim at 62: \$1,983
 - Claim at 66 and 8 months (FRA): \$2,800
 - Claim at 70: \$3,509

Year	Bob's age @Dec 31	Annual spending with COLA applied	Bob's annual SS benefit/ age 62	Personal resources to meet spending need	Cumulative personal resources needed	Bob's annual SS benefit/ age 70	Personal resources to meet spending need	Cumulative personal resources needed
2021	62	59,671	22,385	37,286	37,286	0	59,671	59,671
2022	63	61,560	25,056	36,504	73,790	0	61,560	121,231
2023	64	63,161	25,704	37,457	111,247	0	63,161	184,392
2024	65	64,803	26,376	38,427	149,674	0	64,803	249,195
2025	66	66,488	27,060	39,428	189,102	0	66,488	315,683
2026	67	68,216	27,768	40,448	229,550	0	68,216	383,899
2027	68	69,990	28,488	41,502	271,052	0	69,990	453,889
2028	69	71,810	29,220	42,590	313,642	0	71,810	525,699
2029	70	73,677	29,988	43,689	357,331	48,634	25,043	550,742
2030	71	75,592	30,768	44,824	402,155	54,435	21,157	571,898
2031	72	77,558	31,560	45,998	448,153	55,851	21,707	593,606
2032	73	79,574	32,388	47,186	495,339	57,303	22,271	615,877
2033	74	81,643	33,228	48,415	543,754	58,792	22,851	638,728
2034	75	83,766	34,092	49,674	593,428	60,321	23,445	662,173
2035	76	85,944	34,980	50,964	644,392	61,889	24,055	686,227
2036	77	88,178	35,892	52,286	696,678	63,498	24,680	710,907
2037	78	90,471	36,816	53,655	750,333	65,149	25,322	736,229
2038	79	92,823	37,776	55,047	805,380	66,843	25,980	762,208
2039	80	95,237	38,760	56,477	861,857	68,581	26,656	788,864
2040	81	97,713	39,768	57,945	919,802	70,364	27,349	816,212
2041	82	100,253	40,800	59,453	979,255	72,194	28,059	844,272
2042	83	102,860	41,856	61,004	1,040,259	74,071	28,789	873,061
2043	84	105,534	42,948	62,586	1,102,845	75,997	29,537	902,598
2044	85	108,278	44,064	64,214	1,167,059	77,973	30,305	932,903
2045	86	111,093	45,216	65,877	1,232,936	80,000	31,093	963,996
2046	87	113,982	46,392	67,590	1,300,526	82,080	31,902	995,898
2047	88	116,945	47,592	69,353	1,369,879	84,214	32,731	1,028,629
2048	89	119,986	48,828	71,158	1,441,037	86,404	33,582	1,062,212
2049	90	123,105	50,100	73,005	1,514,042	88,650	34,455	1,096,666

Breakeven age = 77

Cumulative Nominal Personal Resources Required



Drawbacks to the breakeven analysis

- **Requires crystal ball to answer “how long will I live” question**

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- **Applies to single individuals**

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- **Does not incorporate auxiliary benefits (spousal, survivor)**

Drawbacks to the breakeven analysis

- Requires crystal ball to answer “how long will I live” question
- Applies to single individuals
- Does not incorporate auxiliary benefits (spousal, survivor)
- **Psychologically misleading: Delay = deprived**

Scenario planning: where to start

- **Ask clients if they have thought about when to claim Social Security**

Scenario planning: where to start

- Ask clients if they have thought about when to claim Social Security
- **Correct any misperceptions they may have (such as the rules for claiming spousal benefits or earnings test)**

Scenario planning: where to start

- Ask clients if they have thought about when to claim Social Security
- Correct any misperceptions they may have (such as the rules for claiming spousal benefits or earnings test)
- **Explain maximization strategies**
 - **Delay benefits – calculators show the lifetime value of delaying**
 - **Take advantage of spousal benefits — if available**

What benefits may client be entitled to?

- **Did client pay into Social Security at least 10 years?**
 - **Have client download latest statement from ssa.gov/myaccount**

What benefits may client be entitled to?

- Did client pay into Social Security at least 10 years?
 - Have client download latest statement from ssa.gov/myaccount
- **Is client currently married?**
 - **How long?**
 - **At what age did this marriage take place? (Under or over age 60?)**

What benefits may client be entitled to?

- Did client pay into Social Security at least 10 years?
- Is client currently married?
 - How long?
 - At what age did this marriage take place? (Under or over age 60?)
- **Have there been any prior marriages? For each prior marriage,**
 - **When and how did it end?**
 - **How long did it last?**

Possible benefits

- Retirement benefit from own earnings record
- Spousal benefit from current spouse
- Survivor benefit from deceased spouse
- Divorced-spouse benefit from previous spouse(s)
- Divorced-spouse survivor benefit from previous spouse(s)

Savvy Social Security
Client Questionnaire – Married Couples

Date of birth	Husband _____	Wife _____
Age on nearest birthday	Husband _____	Wife _____
Primary insurance amount (PIA)	Husband \$ _____	Wife \$ _____
Life expectancy	Husband _____ (default 85)	Wife _____ (default 95)

Still working?

Husband: Y N Annual income from work \$ _____

Wife: Y N Annual income from work \$ _____

Expected date of retirement Husband _____ Wife _____

Amount of desired retirement income \$ _____ (joint)

Date of this marriage _____

Former marriages

Husband: Date of former marriage _____

Date marriage ended _____ Total number of years married _____

Reason marriage ended: death / divorce If divorce, is ex-spouse still alive? Y N

Wife: Date of former marriage _____

Date marriage ended _____ Total number of years married _____

Reason marriage ended: death / divorce If divorce, is ex-spouse still alive? Y N

Minor children at home (or adult child disabled before age 22)? Y N

Name _____ Age _____

Name _____ Age _____

Adjusted gross income from latest tax return \$ _____

Married couple: Bob & Betty

- **Bob, age 65. PIA \$2,800**
- **Betty, age 63. PIA \$1,500**

When should they claim Social Security?

Spousal Planning Calculator

	Bob	Betty
Age or D.O.B.	<input type="text" value="65"/>	<input type="text" value="63"/>
PIA \$	<input type="text" value="2800"/>	<input type="text" value="1500"/>
* Default life expectancy	<input type="text" value="85"/>	<input type="text" value="95"/>
	<input checked="" type="radio"/> Benefit unclaimed <input type="radio"/> Already filed <input type="radio"/> Receiving disability <input type="radio"/> Previously filed/suspended before 4/29/2016	<input checked="" type="radio"/> Benefit unclaimed <input type="radio"/> Already filed <input type="radio"/> Receiving disability <input type="radio"/> Previously filed/suspended before 4/29/2016
Age claim or suspension began		
Current benefit		
* Default COLA	<input type="text" value="2.6"/>	

* These default values will be used for building Suggested Scenarios for your client. You can create additional scenarios and change these values.

SAVE

START OVER

Spousal Planning Calculator

Bob and Betty Smith



Suggested
Scenarios



Create Your
Own Scenario



View All
Scenarios



Edit Client
Information

CLIENT FILES



Create New Client



Select Saved Client

ADVISOR PROFILE



Edit Advisor Profile

Scenarios

1. Both Claim Early

The goal of this scenario is for each spouse to claim at age 62 or as early as possible afterwards.

Strategy:

Feb 2020: Bob claims on own record at age **65** starting at **\$2,582**.

Feb 2020: Betty claims on own record at age **63** starting at **\$1,163**.

Dec 2040: Betty claims survivor benefits at age **83** starting at **\$4,315**.

Lifetime **nominal** benefit : **\$1,964,107**

2. Both claim at FRA

The goal of this scenario is for each spouse to claim at full retirement age (FRA) or as early as possible afterwards.

Strategy:

Apr 2021: Bob claims on own record at **FRA** (66 + 2 mo.) starting at **\$2,873**.

Aug 2023: Betty claims on own record at **FRA** (66 + 6 mo.) starting at **\$1,620**.

Dec 2040: Betty claims survivor benefits at age **83** starting at **\$4,678**.

Lifetime **nominal** benefit : **\$2,103,355**

3. Betty Claims Early, Bob Claims Later

The goal of this hybrid scenario is for the lower-benefit spouse to claim as early as possible and the higher-benefit spouse claim as late as possible.

Strategy:

Feb 2020: Betty claims on own record at age **63** starting at **\$1,163**.

Feb 2025: Bob claims on own record at age **70** starting at **\$4,160**.

Dec 2040: Betty claims survivor benefits at age **83** starting at **\$6,113**.

Lifetime **nominal** benefit : **\$2,391,840**

4. Maximum Lifetime Nominal Benefit

The goal of this scenario is to search all possible filing strategies and find the one that yields the maximum combined lifetime benefits.

Strategy:

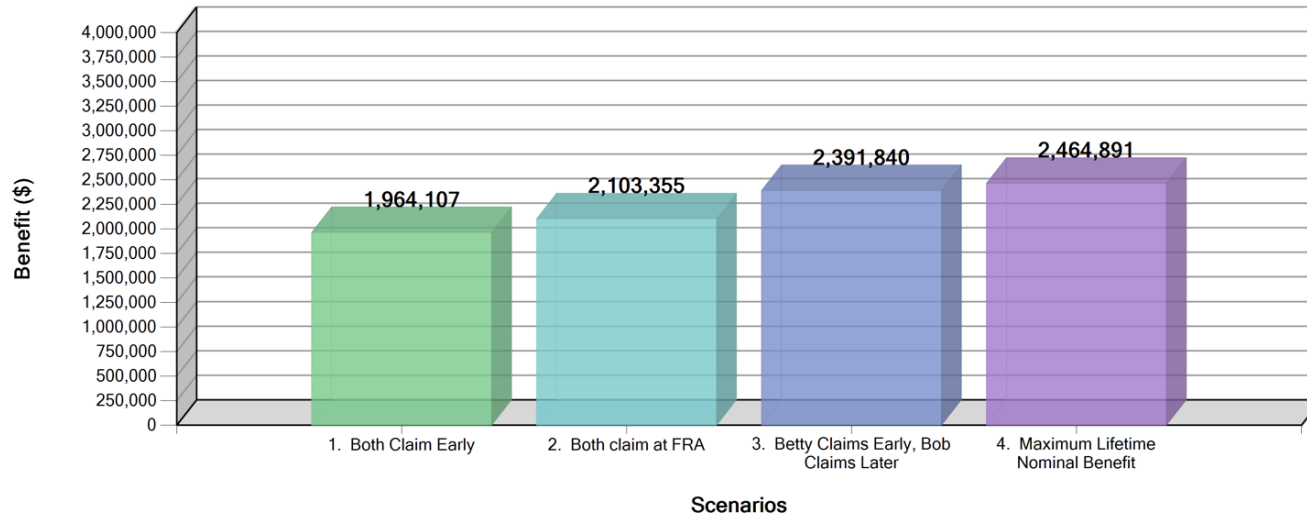
Feb 2025: Bob claims on own record at age **70** starting at **\$4,160**.

Feb 2027: Betty claims on own record at age **70** starting at **\$2,298**.

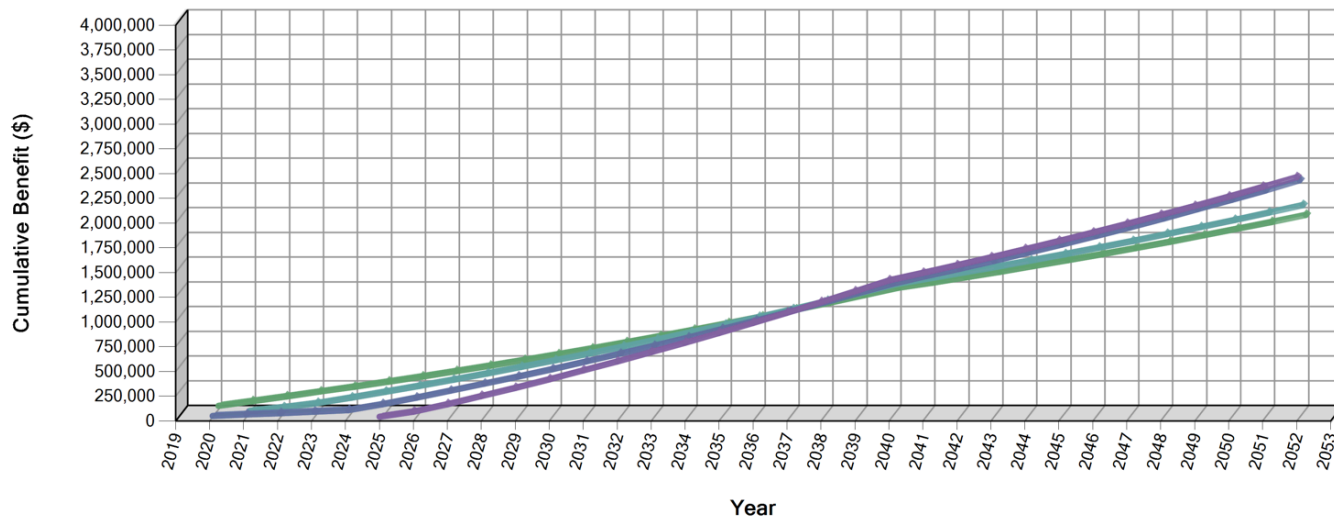
Dec 2040: Betty claims survivor benefits at age **83** starting at **\$6,113**.

Lifetime **nominal** benefit : **\$2,464,891**

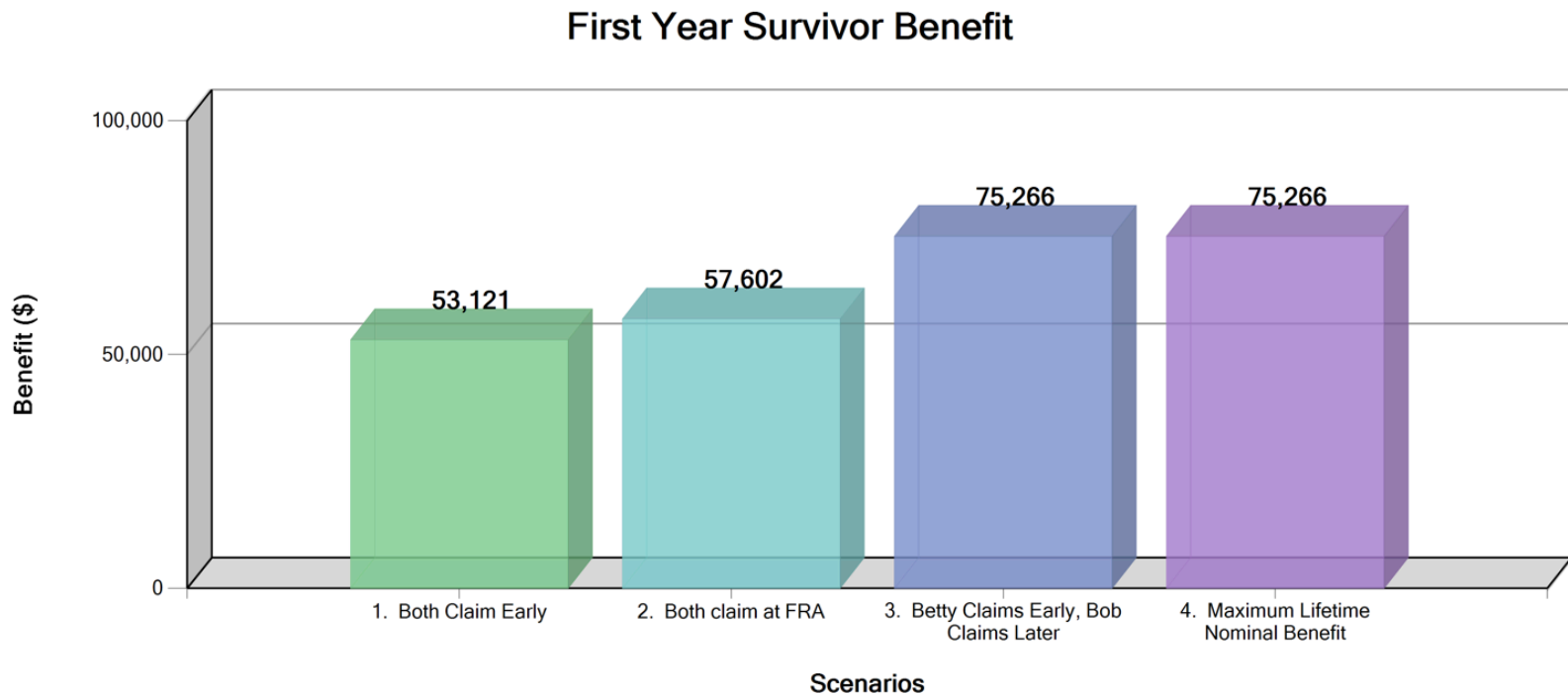
Cumulative Benefit



Cumulative Benefit Comparison



First-year survivor benefit



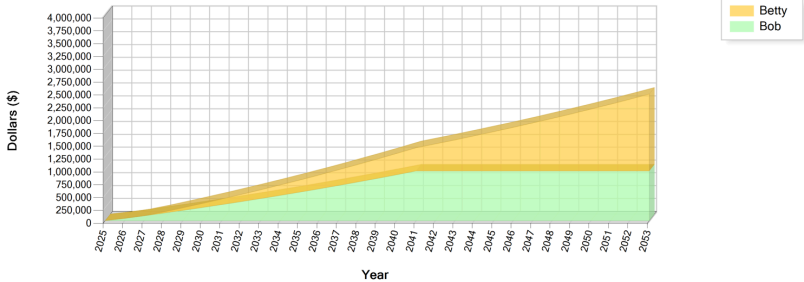
Annual Benefit Stream

Year	Bob's age	Bob's monthly benefit	Bob's annual benefit	Betty's age	Betty's monthly benefit	Betty's annual benefit	Combined annual benefit	Combined cumulative benefit
2025	70	0 / 4,160	41,597	68	0	0	41,597	41,597
2026	71	4,268	51,214	69	0	0	51,214	92,811
2027	72	4,379	52,546	70	0 / 2,298	22,979	75,525	168,335
2028	73	4,493	53,912	71	2,358	28,292	82,204	250,539
2029	74	4,609	55,313	72	2,419	29,027	84,341	334,880
2030	75	4,729	56,752	73	2,482	29,782	86,534	421,413
2031	76	4,852	58,227	74	2,546	30,556	88,784	510,197
2032	77	4,978	59,741	75	2,613	31,351	91,092	601,289
2033	78	5,108	61,294	76	2,681	32,166	93,460	694,749
2034	79	5,241	62,888	77	2,750	33,002	95,890	790,640
2035	80	5,377	64,523	78	2,822	33,860	98,383	889,023
2036	81	5,517	66,201	79	2,895	34,741	100,941	989,964
2037	82	5,660	67,922	80	2,970	35,644	103,566	1,093,530
2038	83	5,807	69,688	81	3,048	36,571	106,259	1,199,789
2039	84	5,958	71,500	82	3,127	37,522	109,021	1,308,810
2040	85	6,113	73,359	83	3,208	38,497	111,856	1,420,666
2041	86	0	0	84	6,272	75,266	75,266	1,495,932
2042	87	0	0	85	6,435	77,223	77,223	1,573,155
2043	88	0	0	86	6,603	79,231	79,231	1,652,386
2044	89	0	0	87	6,774	81,291	81,291	1,733,676
2045	90	0	0	88	6,950	83,404	83,404	1,817,081
2046	91	0	0	89	7,131	85,573	85,573	1,902,653
2047	92	0	0	90	7,316	87,798	87,798	1,990,451
2048	93	0	0	91	7,507	90,080	90,080	2,080,531
2049	94	0	0	92	7,702	92,422	92,422	2,172,954
2050	95	0	0	93	7,902	94,825	94,825	2,267,779
2051	96	0	0	94	8,108	97,291	97,291	2,365,070
2052	97	0	0	95	8,318	99,820	99,820	2,464,891
TOTALS			\$966,675			\$1,498,216	\$2,464,891	

A year with more than one amount listed indicates that the benefit amount changes during that year. Look below to the monthly benefit stream for details.

Maximum Benefit Scenario

Cumulative Nominal Benefit
Maximum Lifetime Nominal Benefit



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Lifetime **nominal** benefit : \$2,464,891

START OVER

Spousal Planning Calculator

Bob and Betty Smith



Suggested
Scenarios



Create Your
Own Scenario



View All
Scenarios



Edit Client
Information

CLIENT FILES



Create New Client



Select Saved Client

ADVISOR PROFILE



Edit Advisor Profile

Your Customized Social Security Spousal Planning Analysis

Prepared For

Bob & Betty Smith

February 7, 2020

Prepared By **Elaine Floyd, CFP®**

Horseshmouth

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Divorced client: Debbie Davis

- **Age 65**
- **PIA \$800**
- **Was married 10+ years**
- **Currently unmarried**
- **Divorced over 2 years ago**
- **Ex-spouse's PIA \$2,000**

Divorce Planning Calculator

Note: The Divorce Planning Calculator has been updated for the new rules under the Budget Act of 2015.


Welcome! Use this calculator for divorced clients.




After entering client information, you will be supplied with some suggested claiming scenarios based on the client's information. You can also build your own scenarios. Recommend the scenario that will produce the highest lifetime benefit, consistent with the client's overall goals.


To begin, click below to create a new client file or select a previously saved client file.

CLIENT FILES

 Create New Client

 Select Saved Client

ADVISOR PROFILE

 Edit Advisor Profile

HOME

Divorce Planning Calculator


Client Information

First name	Debbie	
Debbie's last name	Davis	
Address		
City, state, zip		
Phone		
Email		
	Debbie	Ex-spouse
Birth date/age	2/7/1955 Age 65	2/7/1955 Age 65
PIA \$	800	2000
Default life expectancy	Please select 90	
Marriage lasted over 10 years?	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Currently unmarried?	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Divorce date/age	2/7/2005 Age 50	
Ex-spouse already claiming?	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	
Default COLA%	2.6	Real <input checked="" type="radio"/> Nominal **
<small>* "Real" expresses values in today's dollars (no COLA). "Nominal" escalates benefits annually by the COLA you enter.</small>		
<div>SAVE</div> <div>CANCEL</div>		

START OVER

Divorce Planning Calculator

Debbie Davis

 Return to Active Scenario



Suggested
Scenarios



Create Your
Own Scenario





View All
Scenarios




Edit Client
Information

CLIENT FILES

 Create New Client

 Select Saved Client

ADVISOR PROFILE

 Edit Advisor Profile

Claiming scenarios for Debbie

Scenarios

1. Debbie Claims Early

Strategy:

Feb 2020: Debbie claims on own record at age **65** starting at **\$738**.

Feb 2020: Debbie claims spousal add-on at age **65** starting at **\$181**.

Lifetime **nominal** benefit : **\$400,431**

2. Maximum Lifetime Nominal Benefit

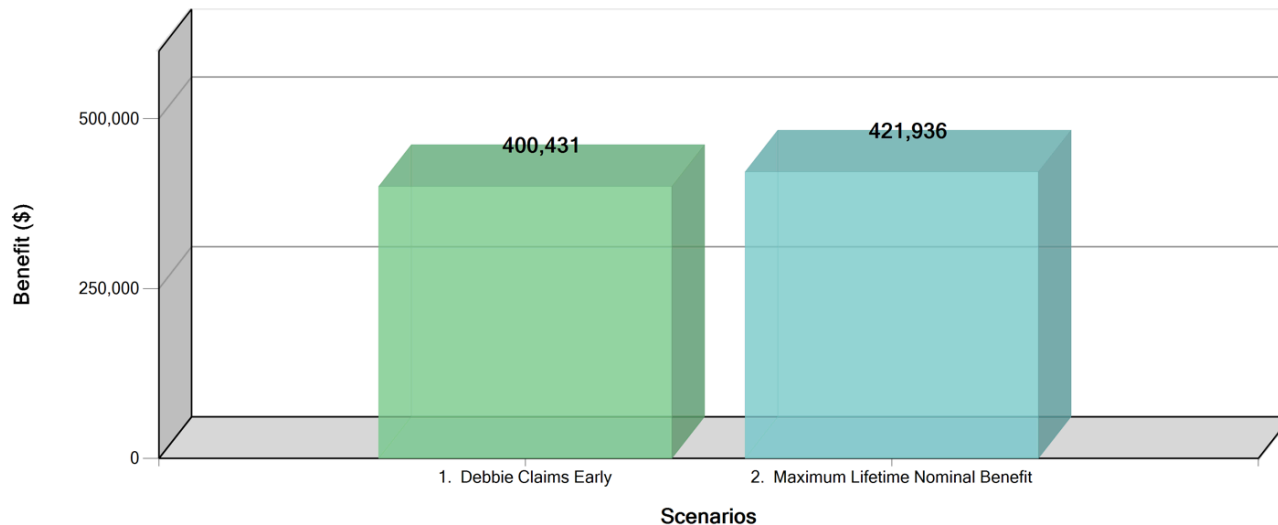
Strategy:

Apr 2021: Debbie claims on own record at **FRA** (66 + 2 mo.) starting at **\$821**.

Apr 2021: Debbie claims spousal add-on at **FRA** (66 + 2 mo.) starting at **\$205**.

Lifetime **nominal** benefit : **\$421,936**

Cumulative Benefit



Divorced client: Debbie Davis

- Age **67 (born in 1953)**
- PIA **\$2,200**
- Was married 10+ years
- Currently unmarried
- Divorced over 2 years ago
- Ex-spouse's PIA \$2,000

Scenarios

1. Debbie Claims Early

Strategy:

Feb 2020: Debbie claims on own record at age **67** starting at **\$2,376**.

Lifetime **nominal** benefit : **\$929,077**

2. Maximum Lifetime Nominal Benefit

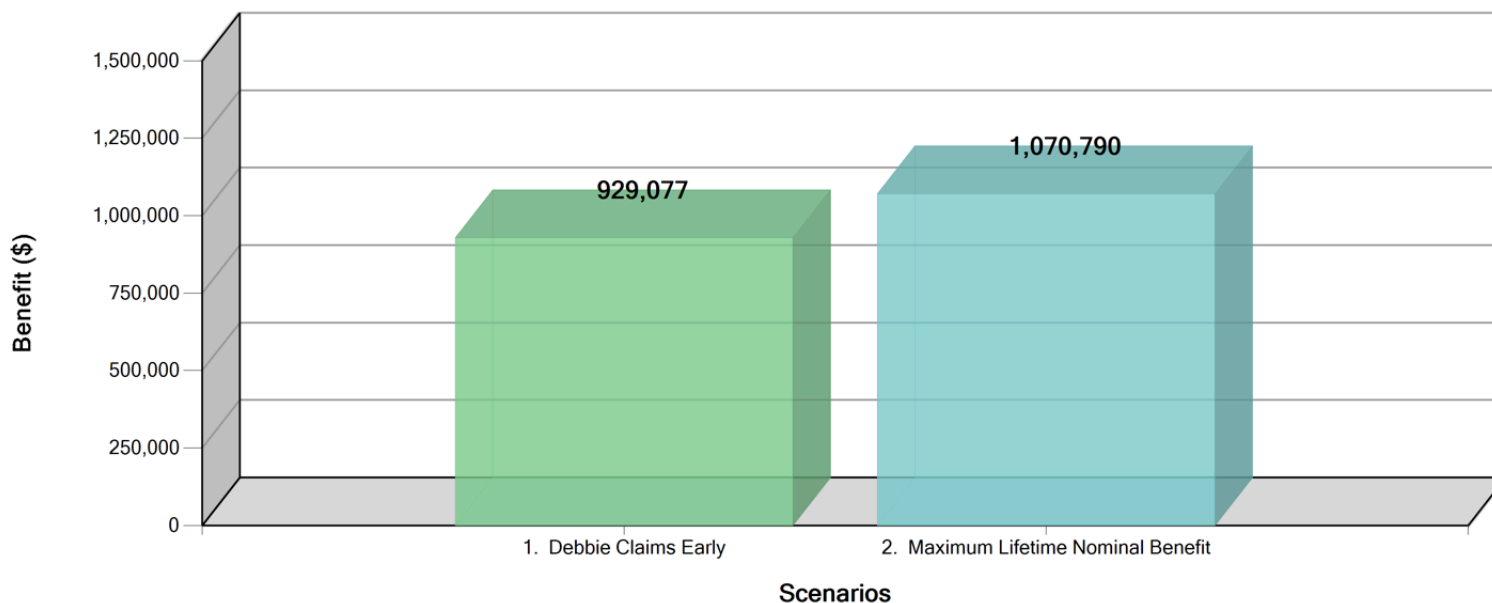
Strategy:

Aug 2019: Debbie retroactively claims on Ex-spouse's record at age **66** starting at **\$975** by filing a restricted application.

Feb 2023: Debbie claims on own record at age **70** starting at **\$3,136**.

Lifetime **nominal** benefit : **\$1,070,790**

Cumulative Benefit



Annual Benefit Stream

Year	Debbie's age	Debbie's monthly benefit	Debbie's annual benefit	Debbie's cumulative benefit
2019	66	0 / 975	3,899	3,899
2020	67	1,000	12,000	15,899
2021	68	1,026	12,312	28,211
2022	69	1,053	12,632	40,843
2023	70	1,080 / 3,136	33,525	74,367
2024	71	3,218	38,616	112,983
2025	72	3,302	39,620	152,603
2026	73	3,388	40,650	193,254
2027	74	3,476	41,707	234,961
2028	75	3,566	42,791	277,752
2029	76	3,659	43,904	321,656
2030	77	3,754	45,046	366,701
2031	78	3,851	46,217	412,918
2032	79	3,952	47,418	460,337
2033	80	4,054	48,651	508,988
2034	81	4,160	49,916	558,904
2035	82	4,268	51,214	610,118
2036	83	4,379	52,546	662,663
2037	84	4,493	53,912	716,575
2038	85	4,609	55,313	771,888
2039	86	4,729	56,752	828,640
2040	87	4,852	58,227	886,867
2041	88	4,978	59,741	946,608
2042	89	5,108	61,294	1,007,902
2043	90	5,241	62,888	1,070,790
TOTALS			\$1,070,790	

A year with more than one amount listed indicates that the benefit amount changes during that year. Look below to the monthly benefit stream for details.

Widow #1: Wilma Weber

- **Age 60**
- **PIA \$800**
- **Husband died before claiming; his PIA \$2,400**

HOME

Survivor Planning Calculator

Client Information

Survivor's first name	<input type="text" value="Wilma"/>
Wilma's last name	<input type="text" value="Weber"/>
Address	<input type="text"/>
City, state, zip	<input type="text"/>
Phone	<input type="text"/>
Email	<input type="text"/>
Default COLA%	<input type="text" value="2.6"/> Real <input checked="" type="radio"/> Nominal *
<small>* "Real" expresses values in today's dollars (no COLA). "Nominal" escalates benefits annually by the COLA you enter.</small>	
Confirm that widow(er) qualifies for survivor benefits	<input checked="" type="checkbox"/> View details

Wilma (survivor)	
Birth date/age	<input type="text" value="2/10/1960"/> Age 60
Default life expectancy	Female, longer than <input type="text" value="91"/>
Current claim status	<input checked="" type="radio"/> Benefit unclaimed <input type="radio"/> Already filed <input type="radio"/> Receiving disability
PIA \$	<input type="text" value="800"/>
Decedent	
Birth date	<input type="text" value="2/10/1960"/>
Date/age of death	<input type="text" value="2/10/2020"/> Age 60
Has widow(er) obtained survivor estimate from SSA?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Survivor benefit estimate	<input type="text" value="2400"/>
<input type="button" value="SAVE"/> <input type="button" value="CANCEL"/>	

Scenarios

1. Wilma Claims Early

Strategy:

Feb 2020: Wilma claims survivor benefits at age **60** starting at **\$1,682**.

Lifetime **nominal** benefit : **\$985,230**

2. Maximum Lifetime Benefit

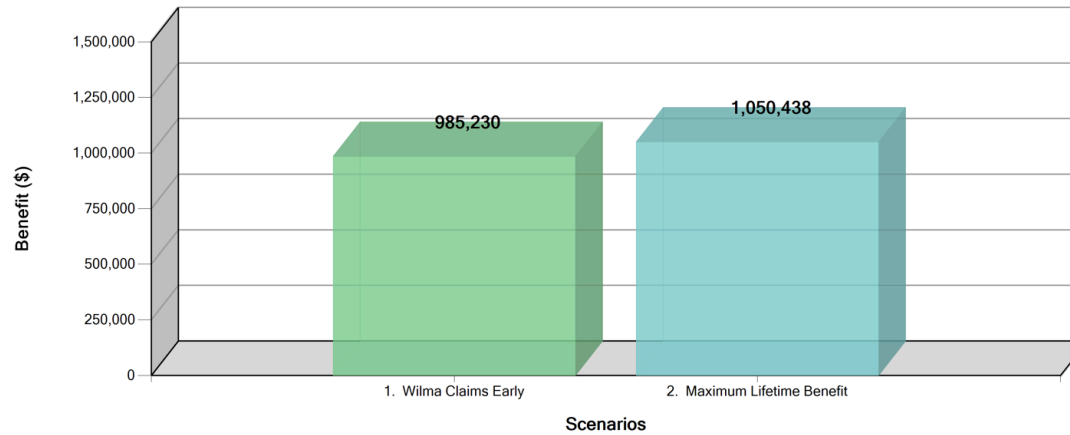
Strategy:

Mar 2022: Wilma claims on own record at age **62** starting at **\$593**.

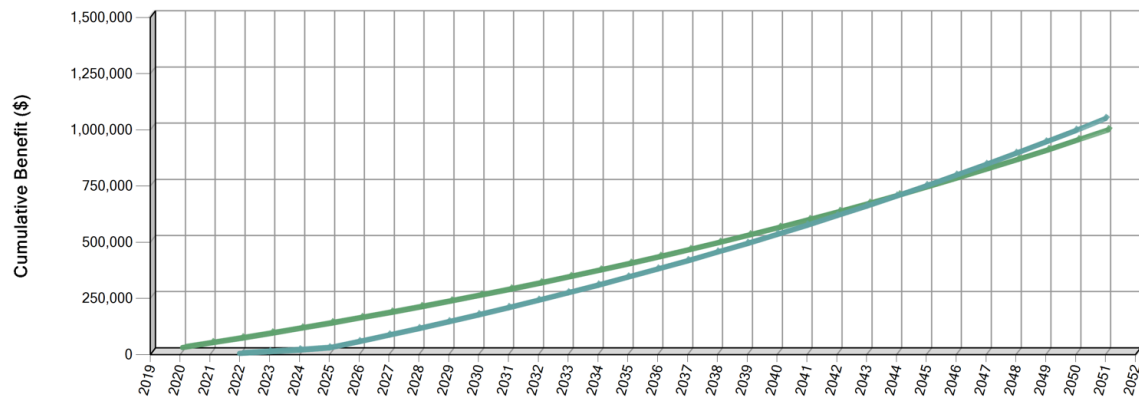
Nov 2025: Wilma claims survivor benefits at age **65** starting at **\$2,272**.

Lifetime **nominal** benefit : **\$1,050,438**

Cumulative Benefit



Cumulative Benefit Comparison



Widow #2: Wendy Wilson

- **Age 60**
- **PIA \$2,200**
- **Husband died before claiming; his PIA \$2,400**

HOME

Survivor Planning Calculator

Client Information

Survivor's first name	<input type="text" value="Wendy"/>
Wendy's last name	<input type="text" value="Wilson"/>
Address	<input type="text"/>
City, state, zip	<input type="text"/>
Phone	<input type="text"/>
Email	<input type="text"/>
Default COLA%	<input type="text" value="2.6"/> Real <input checked="" type="radio"/> Nominal *
<small>* "Real" expresses values in today's dollars (no COLA). "Nominal" escalates benefits annually by the COLA you enter.</small>	
Confirm that widow(er) qualifies for survivor benefits <input checked="" type="checkbox"/> View details	

	Wendy (survivor)
Birth date/age	<input type="text" value="2/10/1960"/> Age 60
Default life expectancy	Female, longer than <input type="text" value="91"/>
Current claim status	<input checked="" type="radio"/> Benefit unclaimed <input type="radio"/> Already filed <input type="radio"/> Receiving disability
PIA \$	<input type="text" value="2200"/>
	Decedent
Birth date	<input type="text" value="2/10/1960"/>
Date/age of death	<input type="text" value="2/10/2020"/> Age 60
Has widow(er) obtained survivor estimate from SSA?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Survivor benefit estimate	<input type="text" value="2400"/>
<input type="button" value="SAVE"/> <input type="button" value="CANCEL"/>	

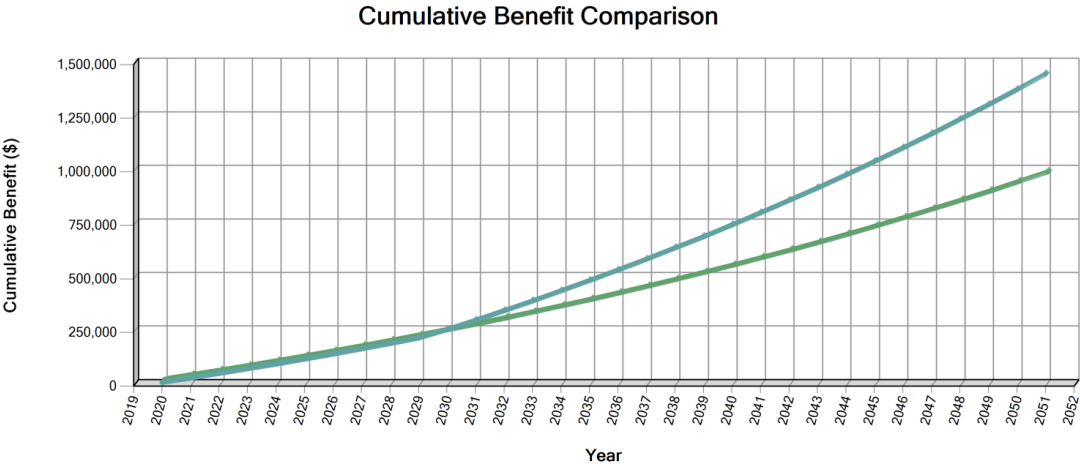
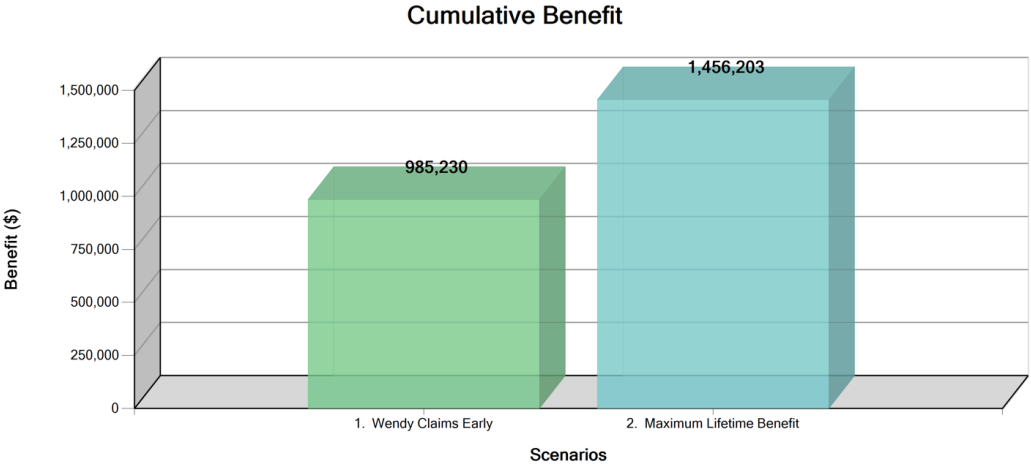
Scenarios

1. Wendy Claims Early

Strategy:
Feb 2020: Wendy claims survivor benefits at age 60 starting at \$1,682.
Lifetime nominal benefit : \$985,230

2. Maximum Lifetime Benefit

Strategy:
Feb 2020: Wendy claims survivor benefits at age 60 starting at \$1,682.
Feb 2030: Wendy claims on own record at age 70 starting at \$3,526.
Lifetime nominal benefit : \$1,456,203





From the Savvy Social Security Planning newsletter – August 31, 2017

Survivor benefits for widows aged 60–70

One of the trickiest — and most critical — Social Security planning strategies applies to widows who are between the ages of 60 and 70. Once a widow becomes eligible for survivor benefits — as early as age 60 (50 if disabled) — she will be looking for guidance on how and when to start her benefit. If she also qualifies for Social Security on her own work record, she will be wondering how that fits into the mix. If she's still working, she may wonder if she'll be "penalized" for earning too much. If she's thinking about remarrying, she may ask how the remarriage will affect her survivor benefit. The most important thing I can say here is that it is crucial for you to know the rules and to meet with your widowed clients before they make their first appointment with SSA so you can prepare them for what to expect.

More:

- [Questions of the week](#)
- [Worth reading](#)
- [Opinions on reform](#)

10,000+ Social Security Questions Answered

Q&A
PRIVATE FORUM

START LEARNING NOW!

2018 SOCIAL SECURITY WORKSHOPS

Retire Now, Retire Later? Social Security and Medicare in an Age of Uncertainty



With Elaine Floyd, CFP®

San Francisco: March 8-9, 2018

Atlanta: March 22-23, 2018

WEP/GPO

Savvy Social Security Planning®
FOR BOOMERS



WEP/GPO Planning Calculator

Note: The Spousal Planning Calculator has been updated for the new rules under the Budget Act of 2015.

Welcome! Use this calculator for married couples.



After entering client information, you will be supplied with some suggested claiming scenarios based on the client's information. You can also build your own scenarios. Recommend the scenario that will produce the highest lifetime benefit, consistent with the client's overall goals.

To begin, click below to create a new client file or select a previously saved client file.

CLIENT FILES



Create New Client



Select Saved Client

ADVISOR PROFILE



Edit Advisor Profile

Why use calculators?

- Shows lifetime benefits under suggested claiming scenarios based on client's individual situation

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- **Flexibility to add your own scenarios**

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- Flexibility to add your own scenarios
- **Rules are built in – no danger of recommending an invalid scenario**

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- Flexibility to add your own scenarios
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- **Flexibility to change assumptions: life expectancy, COLA**

Why use calculators?

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- **Handles unusual cases such as age disparity between spouses**

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- **Impressive report**

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- Flexibility to change assumptions: life expectancy, COLA
- Handles unusual cases such as age disparity between spouses
- Impressive report
- **Leads to further discussion of products and services**

Estimating the PLA



Your payment would be about
\$1,851 a month
at full retirement age

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

January 2, 2018

Your Social Security Statement

Are you thinking about retirement? Are you ready for retirement?

We have tools that can help you!

- Estimate your future retirement benefits at [socialsecurity.gov/estimator](https://www.socialsecurity.gov/estimator)
- Apply for retirement, spouse's, Medicare, or disability benefits at [socialsecurity.gov/applyforbenefits](https://www.socialsecurity.gov/applyforbenefits)
- And once you receive benefits, manage your benefits at [myaccount.socialsecurity.gov](https://www.myaccount.socialsecurity.gov)

Your *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It

To view your *Social Security Statement* online anytime create a **my Social Security** account today!



my Social Security
[myaccount.socialsecurity.gov](https://www.myaccount.socialsecurity.gov)

40 percent of your annual pre-retirement earnings.

Primary Insurance Amount

Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...	
	your full retirement age (67 years), your payment would be about.....	\$ 1,851 a month
	age 70, your payment would be about	\$ 2,347 a month
	age 62, your payment would be about	\$ 1,314 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....	\$ 1,826 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:	
	Your child.....	\$ 1,370 a month
	Your spouse who is caring for your child.....	\$ 1,370 a month
	Your spouse, if benefits start at full retirement age.....	\$ 1,826 a month
	Total family benefits cannot be more than	\$ 3,330 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of \$255.	
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.	
* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 77 percent of scheduled benefits.		
We based your benefit estimates on these facts:		
Your date of birth (please verify your name on page 1 and this date of birth)		April 5, 1958
Your estimated taxable earnings per year after 2018		\$46,770
Your Social Security number (only the last four digits are shown to help prevent identity theft).....		XXX-XX-1234



Factors that can change the PIA

- **Additional earnings – or lack thereof**

Factors that can change the PIA

- Additional earnings – or lack thereof
- **Cost-of-living adjustments (COLAs)**

Factors that can change the PIA

- Additional earnings – or lack thereof
- Cost-of-living adjustments (COLAs)
- **Social Security laws could change**

Factors that can change the PIA

- Additional earnings – or lack thereof
- Cost-of-living adjustments (COLAs)
- Social Security laws could change
- **Offsets due to noncovered, overseas, or Railroad employment**

PIA vs. statement estimate

- **PIA is “officially” calculated at age 62 using earnings through the prior year and known bend points**

PIA vs. statement estimate

- PIA is “officially” calculated at age 62 using earnings through the prior year and known bend points
- **This number does not appear on the statement**

PIA vs. statement estimate

- PIA is “officially” calculated at age 62 using earnings through the prior year and known bend points
- This number does not appear on the statement
- **Rather, estimates shown on statement presume continued work at current salary until claiming age and reductions or credits based on claiming age**

Average Indexed Monthly Earnings (AIME) for baby boomer born in 1958


Maximum earnings
since 1980

**\$4,487,212 in total
indexed earnings ÷ 420
months =
\$10,683 AIME**

Year	Age	Nominal earnings	Indexing factor	Indexed earnings
1980	22	25,900	4.1671768	107,929.88
1981	23	29,700	3.7860612	112,446.02
1982	24	32,400	3.5885059	116,267.59
1983	25	35,700	3.4218111	122,158.66
1984	26	37,800	3.2318298	122,163.17
1985	27	39,600	3.0997634	122,750.63
1986	28	42,000	3.0104111	126,437.27
1987	29	43,800	2.8299336	123,951.09
1988	30	45,000	2.697098	121,369.41
1989	31	48,000	2.5943765	124,530.07
1990	32	51,300	2.4798293	127,215.24
1991	33	53,400	2.390737	127,665.36
1992	34	55,500	2.2735925	126,184.38
1993	35	57,600	2.2542058	129,842.25
1994	36	60,600	2.1952863	133,034.35
1995	37	61,200	2.1106823	129,173.76
1996	38	62,700	2.0122714	126,169.42
1997	39	65,400	1.9013272	124,346.80
1998	40	68,400	1.8067636	123,582.63
1999	41	72,600	1.7113907	124,246.96
2000	42	76,200	1.6217102	123,574.32
2001	43	80,400	1.5839234	127,347.44
2002	44	84,900	1.5681962	133,139.86
2003	45	87,000	1.5307758	133,177.49
2004	46	87,900	1.4627748	128,577.90
2005	47	90,000	1.4111408	127,002.67
2006	48	94,200	1.3491306	127,088.10
2007	49	97,500	1.2905626	125,829.85
2008	50	102,000	1.261542	128,677.28
2009	51	106,800	1.2808582	136,795.66
2010	52	106,800	1.2512841	133,637.14
2011	53	106,800	1.2132683	129,577.05
2012	54	110,100	1.1765306	129,536.02
2013	55	113,700	1.1616827	132,083.32
2014	56	117,000	1.1218609	131,257.73
2015	57	118,500	1.0841431	128,470.96
2016	58	118,500	1.0720291	127,035.45
2017	59	127,200	1.0362449	131,810.35
2018	60	128,400	1.0000000	128,400.00
2019	61	132,900	1.0000000	132,900.00
			Total	\$4,487,212
			AIME	\$10,683.84

Bend points

<http://www.ssa.gov/oact/cola/bendpoints.html>



Social Security
 Official Social Security Website


[Accessibility](#)
[Contact Us](#)
[FAQs](#)
[Español](#)
[Other Languages](#)
[Sign In](#)

[Home](#)
[Numbers & Cards](#)
[Benefits](#)
[Information for...](#)
[Business & Government](#)
[Our Agency](#)

Benefit Formula Bend Points

[Automatic Determinations](#)
[PIA benefit formula](#)
[Maximum family benefit formula](#)

The formula for the Primary Insurance Amount (PIA) is the basic benefit formula. The dollar amounts in the formula are sometimes called "bend points" because a formula, when graphed, appears as a series of line segments joined at these amounts.



Dollar amounts in Primary Insurance Amount and maximum family benefit formulas

Year ^a	Dollar amounts in PIA formula		Dollar amounts in maximum family benefit formula		
	First	Second	First	Second	Third
1979	\$180	\$1,085	\$230	\$332	\$433
1980	194	1,171	248	358	467
1981	211	1,274	270	390	508
1982	230	1,388	294	425	554
1983	254	1,528	324	468	610

PIA formula

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

PIA formula

For an individual who first becomes eligible for old-age insurance benefits or disability insurance benefits in 2020, or who dies in 2020 before becoming eligible for benefits, his/her PIA will be the sum of:

- (a) 90 percent of the first \$960 of his/her average indexed monthly earnings, plus
- (b) 32 percent of his/her average indexed monthly earnings over \$960 and through \$5,785, plus
- (c) 15 percent of his/her average indexed monthly earnings over \$5,785.

We round this amount to the next lower multiple of \$.10 if it is not already a multiple of \$.10.

2018	895	5,397	1,144	1,651	2,154
2019	926	5,583	1,184	1,708	2,228
2020	960	5,785	1,226	1,770	2,309

Primary Insurance Amount (PIA) calculated in 2020 using earnings through 2019

- Baby Boomer born in 1958 – age 62 in 2020
- Maximum Social Security earnings every year since age 22
- AIME = \$10,683
- PIA formula:
 - $\$960 \times .90 = \864.00
 - $\$4,825 \times .32 = \$1,544.00$ ($\$5,785 - \$960 = \$4,825$)
 - $\$4,898 \times .15 = \underline{\$734.70}$ ($\$10,683 - \$5,785 = \$4,898$)
 - Total = $\$3,142.70$

PIA = \$3,142.70

Amount worker will receive in four years at full retirement age not counting COLAs or additional earnings

**“What if I keep
working?”**

**Add four years of
earnings**

**\$4,578,839 in total
indexed earnings ÷ 420
months =
\$10,902 AIME**

Year	Age	Nominal earnings	Indexing factor	Indexed earnings
1980	22	25,900	4.1671768	107,929.88
1981	23	29,700	3.7860612	112,446.02
1982	24	32,400	3.5885059	116,267.59
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2017	59	127,200	1.0362449	131,810.35
2018	60	128,400	1.0000000	128,400.00
2019	61	132,900	1.0000000	132,900.00
2020	62	138,216	1.0000000	138,216.00
2021	63	143,745	1.0000000	143,744.64
2022	64	149,494	1.0000000	149,494.43
2023	65	155,474	1.0000000	155,474.20
Total				\$4,578,839
AIME				\$10,902.00

Add four years of earnings

- New AIME = **\$10,902**
- PIA formula
 - $\$960 \times .90 = \864.00
 - $\$4,825 \times .32 = \$1,544.00$ ($\$5,785 - \$960 = \$4,825$)
 - $\$5,117 \times .15 = \underline{\$767.55}$ ($\$10,902 - \$5,785 = \$5,117$)
 - Total = **\$3,175.55**

PIA = \$3,175

**Amount worker will receive at full retirement age not counting COLAs
or additional earnings**

For a maximum earner, four more years of work will add \$33 to the PIA

“What if I retire early?”

- Estimate for a client age 58 now

Stop work at age	PIA*
67	\$2,900**
58	\$2,775

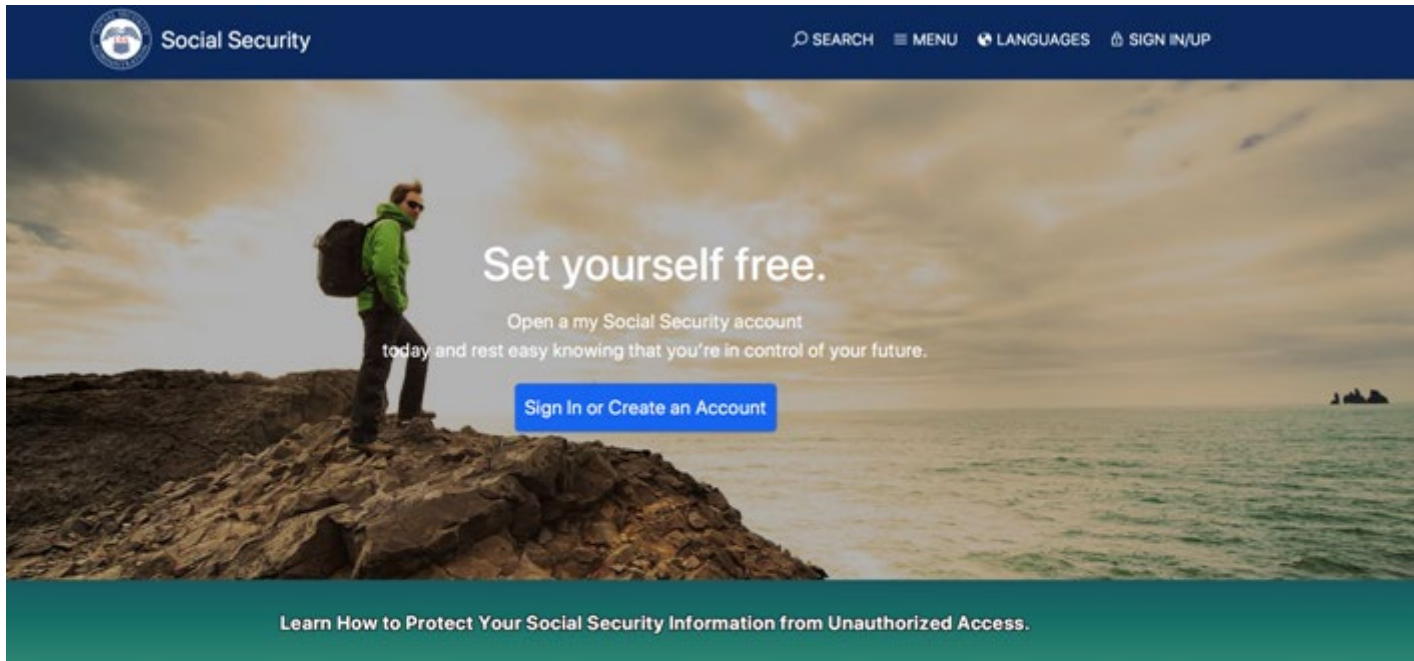
*Based on SSA Quick Calculator estimate

This is the **estimate shown on statement
~\$125 more than amount client will actually receive

How To Determine PIA

- Have client get statement from www.ssa.gov/myaccount
- Have client use Retirement Estimator www.ssa.gov/estimator
- Use one of the SSA benefit calculators: www.ssa.gov/planners/benefitcalculators

www.ssa.gov/myaccount

The banner features a dark blue header with the Social Security logo and text on the left, and navigation links (SEARCH, MENU, LANGUAGES, SIGN IN/UP) on the right. The main image shows a person with a backpack standing on a rocky shore looking out at the ocean under a cloudy sky. The text 'Set yourself free.' is prominently displayed in the center, followed by a sub-headline and a blue button.

Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Set yourself free.

Open a my Social Security account today and rest easy knowing that you're in control of your future.

[Sign In or Create an Account](#)

Learn How to Protect Your Social Security Information from Unauthorized Access.


HAVE AN ACTIVATION CODE?

[Finish Setting Up Your Account](#)

Received assistance from Social Security to create your account?
Finish the process by entering your activation code now.



www.ssa.gov/estimator

 Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Retirement Estimator

How the Retirement Estimator Works

The Retirement Estimator gives estimates based on your actual Social Security earnings record. Please keep in mind that these are **just** estimates. We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates provided because:**



- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they will be adjusted for cost-of-living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.

Who Can Use the Retirement Estimator

You can use the Retirement Estimator if:


- You have enough [Social Security credits](#) at this time to qualify for benefits **and**
- You are **not**:
 - Currently receiving benefits on your own Social Security record;
 - Waiting for a decision about your application for benefits or Medicare;
 - Age 62 or older and receiving benefits on another Social Security record; **or**
 - Eligible for a [Pension Based on Work Not Covered By Social Security](#).

Related Information


- [Estimate Your Life Expectancy](#)
- [Other Benefit Calculators](#)
- [When to Start Receiving Retirement Benefits](#) 
- [Benefits For Your Spouse](#)
- [Other Things To Consider](#)
- [Retirement Toolkit](#) 
- [my Social Security](#)

Online Applications

- [Apply Online For Retirement Benefits](#)
- [Apply Online For Spouse's Benefits](#)

 If you need information about how to move around in the Retirement Estimator, please read "[How To Move Around In This Application](#)."

www.ssa.gov/planners/benefitcalculators

 Social Security

SEARCH MENU LANGUAGES SIGN IN / UP

Calculators


Benefits Planner home

Calculators

Retirement

Disability

Survivors



Sign In or Create an Account

The best way to start planning for your future is by creating a [my Social Security account](#) online. With [my Social Security](#), you can verify your earnings, get your Social Security Statement, and much more – all from the comfort of your home or office.

We have a variety of calculators to help you plan for the future and for what you may need now.

Retirement Estimator

Quick Calculator

Get estimates of monthly benefits based on your actual Social Security earnings record. You must have enough credits to qualify for benefits and not be eligible for a pension from work not covered by Social Security.

Get a rough estimate of your benefits in today's dollars or future dollars when you input your date of birth and this year's earnings. The estimate does not include WEP reduction. You must be 21 or older for this calculator to work correctly.

Life Expectancy Calculator

Retirement Age Calculator

Get a rough estimate of how long you (or your spouse) may live. This gives you an idea of how long your benefits may need to last.

Find your full retirement age and see how your monthly benefits may be reduced if you retire before your full retirement age.

Online Calculator

Detailed Calculator

Get estimates of your retirement, disability, and survivors benefits when you input your date of birth and your complete earnings history. You may project future earnings until your retirement date.

Get the most precise estimate of your retirement, disability, and survivors benefits. The estimate includes WEP reduction. Must be downloaded and installed on your computer. Mac version also available.

WEP Calculator

GPO Calculator

Get estimates for yourself if you are eligible for a pension based on work that was not covered by Social Security. Your benefit amount may be reduced by the Windfall Elimination Provision (WEP).

Get estimates of spouse benefits for yourself if you receive a pension from a government job in which you did not pay Social Security taxes. Your benefit may be offset by the Government Pension Offset (GPO).

Early or Late Retirement Calculator

Benefits for Spouses Calculator

Compute the effect on your benefit amount if you file for early or delayed retirement benefits.

Compute the effect on your wife's or husband's benefits if you file for early retirement.

Earnings Test Calculator

See how your earnings may affect your benefit payments if you are currently working and are eligible for retirement or survivors benefits this

Calculator limitations (or why they need you)

- **All numbers are estimates**

Calculator limitations (or why they need you)

- All numbers are estimates
- **Earnings test is not accounted for**
<https://www.ssa.gov/OACT/COLA/RTeffect.html>

Calculator limitations (or why they need you)

- All numbers are estimates
- Earnings test is not accounted for
<https://www.ssa.gov/OACT/COLA/RTeffect.html>
- **Taxes and other income are not accounted for**

Calculator limitations (or why they need you)

- All numbers are estimates
- Earnings test is not accounted for
<https://www.ssa.gov/OACT/COLA/RTeffect.html>
- Taxes and other income are not accounted for
- **Gap income is not accounted for
(your opportunity to present solutions)**

How to build your business with Social Security planning

- **Educate yourself**

How to build your business with Social Security planning

- Educate yourself
- **Hold educational workshops for clients, prospects, and COIs**

How to build your business with Social Security planning

- Educate yourself
- Hold educational workshops for clients, prospects, and COIs
- **Offer free Social Security claiming analysis**

How to build your business with Social Security planning

- Educate yourself
- Hold educational workshops for clients, prospects, and COIs
- Offer free Social Security claiming analysis
- **Drip mailing campaign**

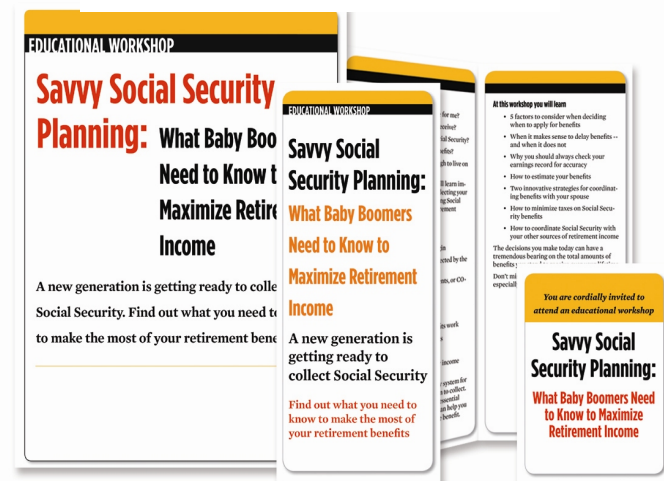
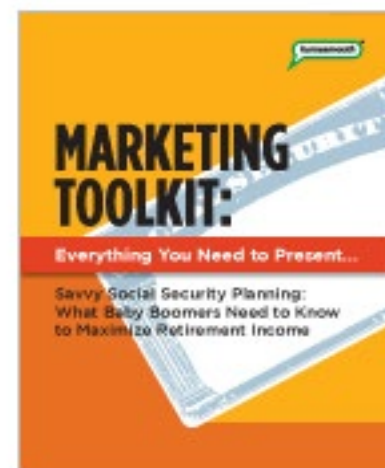
Educate yourself



Educate Clients and Prospects

FINRA-reviewed presentations

- Savvy Social Security Planning: What **Baby Boomers** Need to Know to Maximize Retirement Income
- Savvy Social Security Planning for **Couples**
- Savvy Social Security Planning for **Women**
- Savvy Social Security Planning for **CPAs** and other Professionals
- New: Two **30-minute** workshops
 - What's new with Social Security? 7 Topics to Watch in 2018
 - Basic rules and strategies



Your Customized Social Security Spousal Planning Analysis

Prepared For

Bob and Betty Smith

January 17, 2018

Prepared By

Elaine Floyd, CFP®

Horsemouth

21 W. 38th St.

New York, NY 10018

888-336-6884

efloyd@horsemouth.com



Drip mailing campaign

Creative Social Security Claiming Strategies: Understanding the Nuances

Teresa Sampleton, CFP®, CLU, ChFC, CLTC
Vice President
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21 W. 38th Street
14th Fl.
New York, NY 10018
212-217-1111
tsampleton@sampletonwealthmanagement.com
www.sampletonwealthmanagement.com



By Elaine Floyd, CFP®

With more people learning about file-and-suspend and claim-now-claim-more-later, mistakes are being made – like trying to do certain things before full retirement age. Make sure you understand the rules before going down to your Social Security office.

The Senior Citizens' Freedom to Work Act of 2000 ushered in some subtle rules that baby boomers are now taking advantage of to receive a little extra income from Social Security.

One strategy is **file-and-suspend**, where the higher-earning spouse files for Social Security upon reaching full retirement age in order to entitle his spouse to her spousal benefit, and then immediately suspends his benefit in order to earn delayed credits to age 70.

The other strategy is **claim-now-claim-more-later**. This strategy turns the traditional way of claiming spousal benefits on its head by having the high-earning spouse claim HIS spousal benefit off the low-earning spouse's earnings record from age 66 to 70 while his own benefit builds delayed credits.

While these strategies are simple in theory, it is important to understand the nuances as they apply

to your individual situation. One or the other (or both) may be available to you, but it is critical to get the timing just right.

Here are corrections to some common misunderstandings.

You can't claim a spousal benefit until your spouse has filed for his or her benefit. This is a basic rule. Any spousal strategy, whether traditional or innovative, requires that the spouse on whose record the spousal benefit is based apply for his own benefit first. This means the spouse must sometimes wait. If Jack is only 64 when Jill wants to file for her spousal benefit, and if Jack wants to delay filing in order to earn maximum delayed credits, Jill has no choice but to wait until Jack is ready to file before starting her spousal benefit. However, she need not wait until Jack is 70. As soon as Jack turns full retirement age, he may file and suspend.

When to Apply for Social Security Benefits	Sample	PDF
Creative Social Security Claiming Strategies: Understanding the Nuances	Sample	PDF
Social Security as Longevity Insurance	Sample	PDF
Life Expectancy and Social Security	Sample	PDF
Will Working Longer Help, or Hinder Your Social Security Benefit?	Sample	PDF
3 Ways to Raise Your Social Security Benefits	Sample	PDF
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