



# Your Customized Social Security Spousal Planning Analysis

Prepared For

**John and Mary Boomer**

September 29, 2015

Prepared By **Steven Van Metre**

Steven Van Metre Financial

5901 Sundale Ave Ste B Bakersfield CA 93309

(661) 398-9900

svmfin@gmail.com

## Your Customized Social Security Spousal Planning Analysis

This report shows the Social Security income stream you can expect to receive under differing claiming scenarios based on your primary insurance amount (PIA) as estimated by the Social Security Administration and certain assumptions for life expectancy and future cost-of-living adjustments.

Married couples have several decisions to make. When will the husband claim his retirement benefit based on his earnings record? When will the wife claim her retirement benefit based on her earnings record? When will the wife claim her spousal benefit based on her husband's earnings record? Or will the husband claim his spousal benefit based on his wife's earnings record? Will either spouse need to file and suspend in order for the other spouse to become entitled to a spousal benefit? The interplay of earned benefits and spousal benefits makes for some interesting opportunities for married couples—as long as you understand the rules and know which spouse can do what and when.

Another important consideration is survivor benefits. If one spouse dies while both spouses are receiving Social Security, the deceased spouse's benefit stops and the surviving spouse may receive the higher of the two benefit amounts. The income streams shown here incorporate life expectancies for husband and wife. If the husband is expected to die first, for example, the analysis shows his benefit going to zero while the wife either continues with her own benefit or switches to the husband's benefit, depending on which benefit is higher. Part of Social Security planning is survivor planning for when one spouse becomes widowed. Will the survivor benefit be enough to live on? What other resources will be available?

As you will see, the lifetime value of Social Security can vary greatly depending on when you decide to claim benefits. When your only interest is maximizing Social Security benefits, there is usually one optimal analysis that can provide the most benefits based on the assumptions you enter. However, it is also important to consider your own personal circumstances—your need for income, your health status and life expectancy, and your other resources such as retirement and investment accounts—when deciding when to claim Social Security. This report should therefore be viewed within the context of your overall retirement income plan.

## Key Terms

**Full retirement age (FRA).** This is the age at which you may claim full, unreduced Social Security benefits. Certain strategies, such as suspending benefits to earn delayed credits, and filing a restricted application for spousal benefits, can only be done at full retirement age or later.

| Year of Birth  | Full Retirement Age |
|----------------|---------------------|
| 1943-54        | 66                  |
| 1955           | 66 + 2 months       |
| 1956           | 66 + 4 months       |
| 1957           | 66 + 6 months       |
| 1958           | 66 + 8 months       |
| 1959           | 66 + 10 months      |
| 1960 and later | 67                  |

**Primary Insurance Amount (PIA).** Your estimated benefit as shown on this report is based on the PIA you provided. Your PIA is the amount you would receive if you were to claim your benefit at your full retirement age. Each person's PIA is determined by the Social Security Administration at age 62. It is based on an average of your highest 35 years of earnings as applied to a formula. Please note that until you actually apply for Social Security, your exact PIA is unknown. The estimate you received from Social Security via your statement or the Retirement Estimator could change based on your continued earnings (or lack thereof) and future cost-of-living adjustments.

**Reductions or credits based on claiming age.** If you file for Social Security before FRA, your benefit will be some fraction of your PIA. If you file after FRA, your benefit will include delayed credits. These reductions and credits are based on your FRA. Once the reductions or credits are applied, your benefit amount is permanent, affected only by cost-of-living adjustments and additional earnings. That is, if you file at 62 and receive a reduced benefit, it will not go up when you turn FRA.

If your full retirement age is 66:

| Filing Age | Benefit = % of PIA |
|------------|--------------------|
| 62         | 75                 |
| 63         | 80                 |
| 64         | 86.7               |
| 65         | 93.3               |
| 66         | 100                |
| 67         | 108                |
| 68         | 116                |
| 69         | 124                |
| 70         | 132                |

If your full retirement age is 67:

| Filing Age | Benefit = % of PIA |
|------------|--------------------|
| 62         | 70                 |
| 63         | 75                 |
| 64         | 80                 |
| 65         | 86.7               |
| 66         | 93.3               |
| 67         | 100                |
| 68         | 108                |
| 69         | 116                |
| 70         | 124                |

## Key Terms (continued)

**Cost-of-Living Adjustments (COLAs).** Each year there is a rise in the Consumer Price Index (CPI-W), Social Security benefit amounts are increased to keep up with inflation. The cost-of-living adjustment varies each year, and it is impossible to know what future COLAs will be. To give you an idea of how your benefit might keep up with inflation, this report assumes a fixed COLA in the years ahead. Naturally, the benefit amounts shown in this report will be different if the actual COLAs vary from the assumptions used here.

**Life Expectancy.** Social Security benefits continue for life. A key purpose of this report is to put your Social Security benefits in perspective by estimating the amount of benefits you stand to receive over your lifetime based on claiming decisions you make in your 60s. Your life expectancy is therefore a key assumption in this report. You can look up the average life expectancy for your age by referring to this table:

<http://www.ssa.gov/oact/STATS/table4c6.html>

or using this calculator:

<http://www.ssa.gov/planners/lifeexpectancy.htm>.

Keep in mind that there is a 50% chance you will outlive the average life expectancy. Depending on your genes, your lifestyle, and your health status, you could live many years beyond the average. See LivingTo100 ([www.livingto100.com](http://www.livingto100.com)) for a more accurate estimate of your individual life expectancy. Naturally, if your actual life expectancy differs from the assumption used in this report, your lifetime benefits will be different from the amounts shown here.

**Spousal benefits.** If you are married, you may qualify for a spousal benefit based on your spouse's work record. If you claim this benefit at your full retirement age, the benefit will be 50% of your spouse's PIA. If you claim it before your FRA, the benefit will be reduced. Your spouse must have filed for his or her benefit in order for you to receive a spousal benefit. Please note that if you also qualify for a retirement benefit on your own work record, and if you file before FRA, you will receive your own reduced benefit first. If you would like to receive a spousal benefit while your own benefit builds delayed credits to age 70, you must file a restricted application for the spousal benefit. This can only be done at FRA or later.

**Survivor benefits.** If your spouse dies, the benefit your spouse was receiving will stop. As the surviving spouse, you will become eligible for a survivor benefit approximately equal to the amount your spouse was receiving at his death. If this amount is higher than your own benefit, you may switch to the higher amount (note: if you are under FRA when you claim, the survivor benefit will be reduced). The important thing to know about survivor benefits is that the amount the surviving spouse eventually receives is determined by the age at which the deceased spouse originally started his benefit. You will see in this report that scenarios calling for a later claiming age for the higher-earning spouse result in a higher survivor benefit to the surviving spouse.

# Comparison of Scenarios

## 1. FRA

Strategy:

**2019:** John claims on own record at age **66**.

**2019:** Mary claims on own record at age **66**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**,

PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

## 2. Spousal

Strategy:

**2019:** John claims on own record at age **66**.

**2019:** Mary claims on John's record at age **66**.

**2023:** Mary claims on own record at age **70**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**,

PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

## 3. Max

Strategy:

**2019:** John files and suspends at age **66**.

**2019:** Mary claims on John's record at age **66**.

**2023:** John claims on own record at age **70**.

**2023:** Mary claims on own record at age **70**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**,

PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

## 4. Early

Strategy:

**2015:** John claims on own record at age **62**.

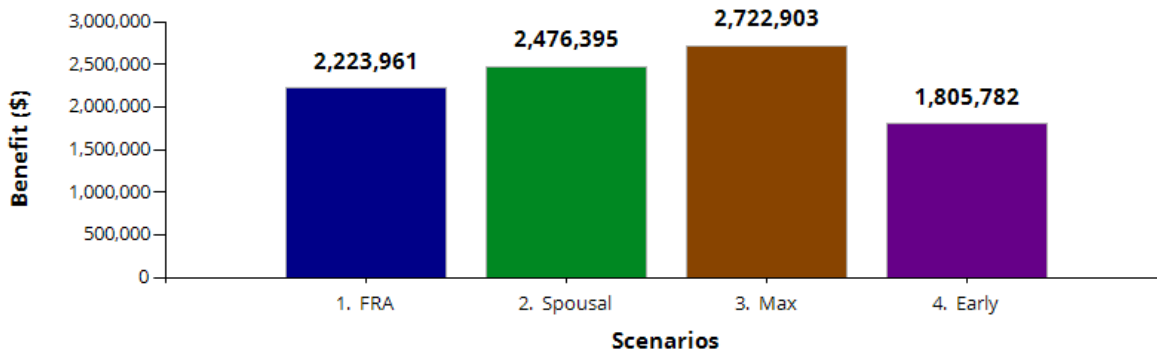
**2015:** Mary claims on own record at age **62**.

Assumptions:

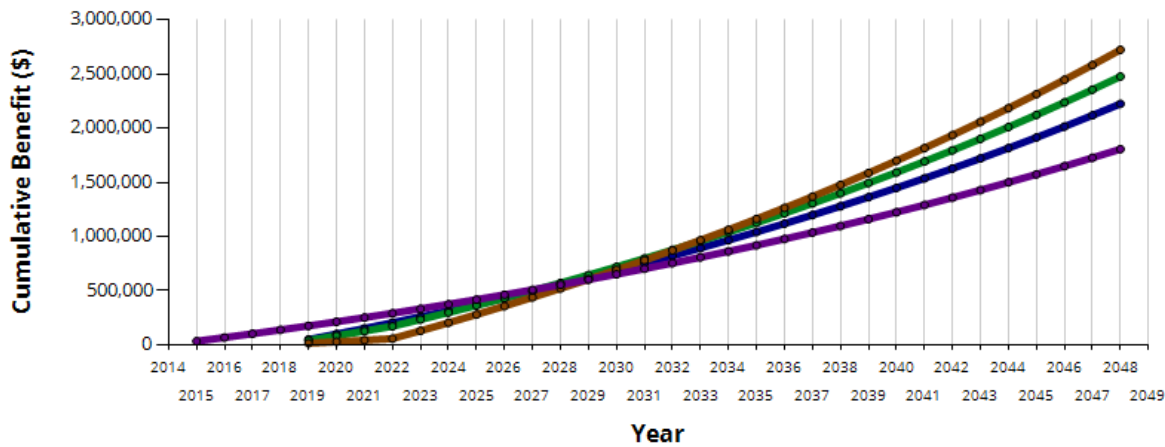
Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**,

PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

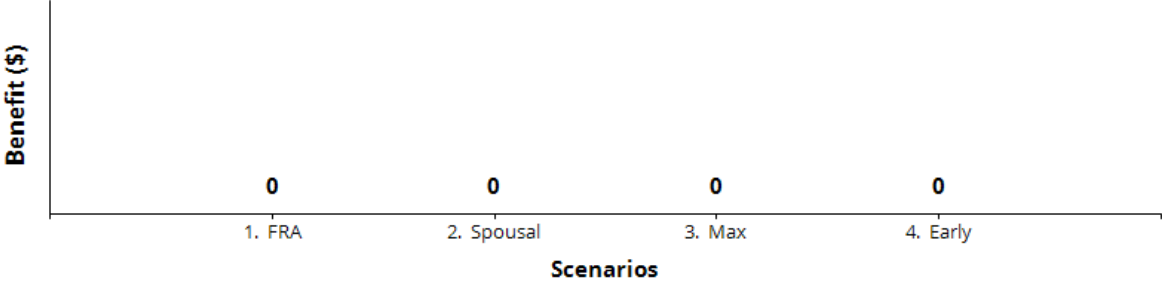
### Cumulative Benefit (\$)



### Cumulative Benefit Comparison (\$)



# First Year Surviving Spouse Benefit (\$)



**FRA**

Strategy:

**2019:** John claims on own record at age **66**.

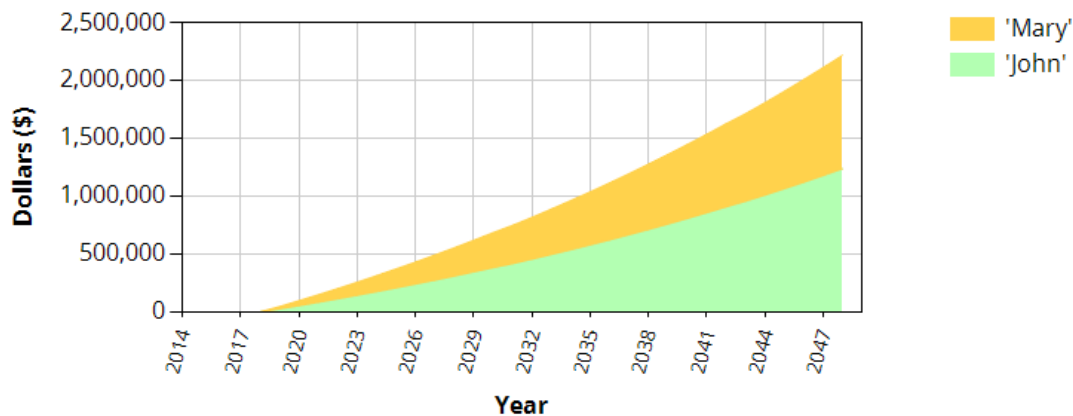
**2019:** Mary claims on own record at age **66**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**, PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

| Year | John's Age | John's monthly benefit | John's annual benefit | Mary's Age | Mary's monthly benefit | Mary's annual benefit | Combined monthly benefit | Combined annual benefit | Combined cumulative benefit |
|------|------------|------------------------|-----------------------|------------|------------------------|-----------------------|--------------------------|-------------------------|-----------------------------|
| 2015 | 62         | 0                      | 0                     | 62         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2016 | 63         | 0                      | 0                     | 63         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2017 | 64         | 0                      | 0                     | 64         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2018 | 65         | 0                      | 0                     | 65         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2019 | 66         | 2,281                  | 27,366                | 66         | 1,808                  | 21,696                | 4,089                    | 49,062                  | 49,062                      |
| 2020 | 67         | 2,342                  | 28,105                | 67         | 1,857                  | 22,282                | 4,199                    | 50,387                  | 99,449                      |
| 2021 | 68         | 2,405                  | 28,864                | 68         | 1,907                  | 22,883                | 4,312                    | 51,747                  | 151,197                     |
| 2022 | 69         | 2,470                  | 29,643                | 69         | 1,958                  | 23,501                | 4,429                    | 53,145                  | 204,342                     |
| 2023 | 70         | 2,537                  | 30,444                | 70         | 2,011                  | 24,136                | 4,548                    | 54,580                  | 258,921                     |
| 2024 | 71         | 2,605                  | 31,266                | 71         | 2,066                  | 24,787                | 4,671                    | 56,053                  | 314,974                     |
| 2025 | 72         | 2,676                  | 32,110                | 72         | 2,121                  | 25,457                | 4,797                    | 57,567                  | 372,541                     |
| 2026 | 73         | 2,748                  | 32,977                | 73         | 2,179                  | 26,144                | 4,927                    | 59,121                  | 431,662                     |
| 2027 | 74         | 2,822                  | 33,867                | 74         | 2,237                  | 26,850                | 5,060                    | 60,717                  | 492,379                     |
| 2028 | 75         | 2,898                  | 34,782                | 75         | 2,298                  | 27,575                | 5,196                    | 62,357                  | 554,736                     |
| 2029 | 76         | 2,977                  | 35,721                | 76         | 2,360                  | 28,319                | 5,337                    | 64,040                  | 618,776                     |
| 2030 | 77         | 3,057                  | 36,685                | 77         | 2,424                  | 29,084                | 5,481                    | 65,769                  | 684,545                     |
| 2031 | 78         | 3,140                  | 37,676                | 78         | 2,489                  | 29,869                | 5,629                    | 67,545                  | 752,090                     |
| 2032 | 79         | 3,224                  | 38,693                | 79         | 2,556                  | 30,676                | 5,781                    | 69,369                  | 821,459                     |
| 2033 | 80         | 3,311                  | 39,738                | 80         | 2,625                  | 31,504                | 5,937                    | 71,242                  | 892,701                     |
| 2034 | 81         | 3,401                  | 40,811                | 81         | 2,696                  | 32,355                | 6,097                    | 73,165                  | 965,866                     |
| 2035 | 82         | 3,493                  | 41,913                | 82         | 2,769                  | 33,228                | 6,262                    | 75,141                  | 1,041,007                   |
| 2036 | 83         | 3,587                  | 43,044                | 83         | 2,844                  | 34,125                | 6,431                    | 77,170                  | 1,118,177                   |
| 2037 | 84         | 3,684                  | 44,206                | 84         | 2,921                  | 35,047                | 6,604                    | 79,253                  | 1,197,430                   |
| 2038 | 85         | 3,783                  | 45,400                | 85         | 2,999                  | 35,993                | 6,783                    | 81,393                  | 1,278,823                   |
| 2039 | 86         | 3,885                  | 46,626                | 86         | 3,080                  | 36,965                | 6,966                    | 83,591                  | 1,362,413                   |
| 2040 | 87         | 3,990                  | 47,885                | 87         | 3,164                  | 37,963                | 7,154                    | 85,848                  | 1,448,261                   |
| 2041 | 88         | 4,098                  | 49,178                | 88         | 3,249                  | 38,988                | 7,347                    | 88,165                  | 1,536,426                   |
| 2042 | 89         | 4,209                  | 50,505                | 89         | 3,337                  | 40,041                | 7,545                    | 90,546                  | 1,626,972                   |
| 2043 | 90         | 4,322                  | 51,869                | 90         | 3,427                  | 41,122                | 7,749                    | 92,991                  | 1,719,963                   |
| 2044 | 91         | 4,439                  | 53,269                | 91         | 3,519                  | 42,232                | 7,958                    | 95,501                  | 1,815,464                   |
| 2045 | 92         | 4,559                  | 54,708                | 92         | 3,614                  | 43,372                | 8,173                    | 98,080                  | 1,913,544                   |
| 2046 | 93         | 4,682                  | 56,185                | 93         | 3,712                  | 44,543                | 8,394                    | 100,728                 | 2,014,272                   |
| 2047 | 94         | 4,808                  | 57,702                | 94         | 3,812                  | 45,746                | 8,621                    | 103,448                 | 2,117,720                   |
| 2048 | 95         | 4,938                  | 59,260                | 95         | 3,915                  | 46,981                | 8,853                    | 106,241                 | 2,223,961                   |

**Cumulative Benefit (\$)**



## Spousal

Strategy:

**2019:** John claims on own record at age **66**.

**2019:** Mary claims on John's record at age **66**.

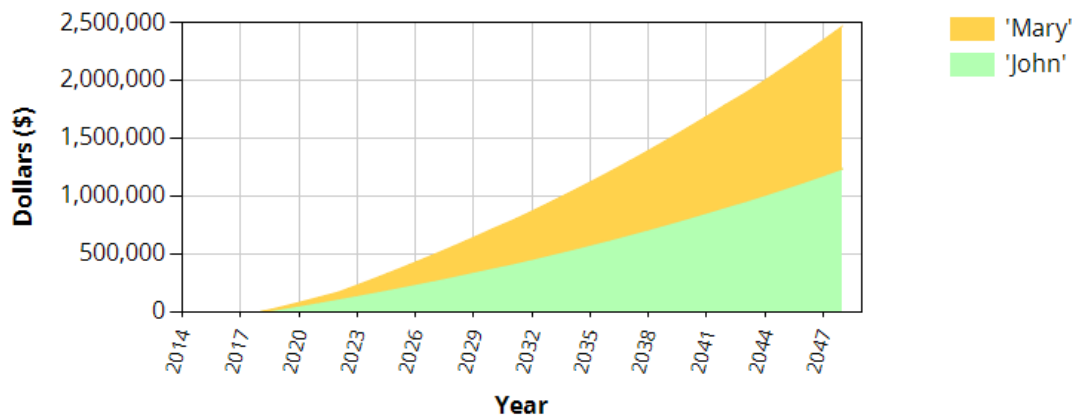
**2023:** Mary claims on own record at age **70**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**, PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

| Year | John's Age | John's monthly benefit | John's annual benefit | Mary's Age | Mary's monthly benefit | Mary's annual benefit | Combined monthly benefit | Combined annual benefit | Combined cumulative benefit |
|------|------------|------------------------|-----------------------|------------|------------------------|-----------------------|--------------------------|-------------------------|-----------------------------|
| 2015 | 62         | 0                      | 0                     | 62         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2016 | 63         | 0                      | 0                     | 63         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2017 | 64         | 0                      | 0                     | 64         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2018 | 65         | 0                      | 0                     | 65         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2019 | 66         | 2,281                  | 27,366                | 66         | 1,140                  | 13,680                | 3,421                    | 41,046                  | 41,046                      |
| 2020 | 67         | 2,342                  | 28,105                | 67         | 1,171                  | 14,049                | 3,513                    | 42,155                  | 83,201                      |
| 2021 | 68         | 2,405                  | 28,864                | 68         | 1,202                  | 14,429                | 3,608                    | 43,293                  | 126,494                     |
| 2022 | 69         | 2,470                  | 29,643                | 69         | 1,235                  | 14,818                | 3,705                    | 44,462                  | 170,955                     |
| 2023 | 70         | 2,537                  | 30,444                | 70         | 2,655                  | 31,860                | 5,192                    | 62,304                  | 233,259                     |
| 2024 | 71         | 2,605                  | 31,266                | 71         | 2,727                  | 32,720                | 5,332                    | 63,986                  | 297,245                     |
| 2025 | 72         | 2,676                  | 32,110                | 72         | 2,800                  | 33,604                | 5,476                    | 65,714                  | 362,959                     |
| 2026 | 73         | 2,748                  | 32,977                | 73         | 2,876                  | 34,511                | 5,624                    | 67,488                  | 430,447                     |
| 2027 | 74         | 2,822                  | 33,867                | 74         | 2,954                  | 35,443                | 5,776                    | 69,310                  | 499,757                     |
| 2028 | 75         | 2,898                  | 34,782                | 75         | 3,033                  | 36,400                | 5,932                    | 71,181                  | 570,938                     |
| 2029 | 76         | 2,977                  | 35,721                | 76         | 3,115                  | 37,383                | 6,092                    | 73,103                  | 644,042                     |
| 2030 | 77         | 3,057                  | 36,685                | 77         | 3,199                  | 38,392                | 6,256                    | 75,077                  | 719,119                     |
| 2031 | 78         | 3,140                  | 37,676                | 78         | 3,286                  | 39,428                | 6,425                    | 77,104                  | 796,223                     |
| 2032 | 79         | 3,224                  | 38,693                | 79         | 3,374                  | 40,493                | 6,599                    | 79,186                  | 875,409                     |
| 2033 | 80         | 3,311                  | 39,738                | 80         | 3,466                  | 41,586                | 6,777                    | 81,324                  | 956,733                     |
| 2034 | 81         | 3,401                  | 40,811                | 81         | 3,559                  | 42,709                | 6,960                    | 83,520                  | 1,040,253                   |
| 2035 | 82         | 3,493                  | 41,913                | 82         | 3,655                  | 43,862                | 7,148                    | 85,775                  | 1,126,028                   |
| 2036 | 83         | 3,587                  | 43,044                | 83         | 3,754                  | 45,047                | 7,341                    | 88,091                  | 1,214,118                   |
| 2037 | 84         | 3,684                  | 44,206                | 84         | 3,855                  | 46,263                | 7,539                    | 90,469                  | 1,304,588                   |
| 2038 | 85         | 3,783                  | 45,400                | 85         | 3,959                  | 47,512                | 7,743                    | 92,912                  | 1,397,499                   |
| 2039 | 86         | 3,885                  | 46,626                | 86         | 4,066                  | 48,795                | 7,952                    | 95,420                  | 1,492,920                   |
| 2040 | 87         | 3,990                  | 47,885                | 87         | 4,176                  | 50,112                | 8,166                    | 97,997                  | 1,590,917                   |
| 2041 | 88         | 4,098                  | 49,178                | 88         | 4,289                  | 51,465                | 8,387                    | 100,643                 | 1,691,559                   |
| 2042 | 89         | 4,209                  | 50,505                | 89         | 4,405                  | 52,855                | 8,613                    | 103,360                 | 1,794,920                   |
| 2043 | 90         | 4,322                  | 51,869                | 90         | 4,523                  | 54,282                | 8,846                    | 106,151                 | 1,901,070                   |
| 2044 | 91         | 4,439                  | 53,269                | 91         | 4,646                  | 55,747                | 9,085                    | 109,017                 | 2,010,087                   |
| 2045 | 92         | 4,559                  | 54,708                | 92         | 4,771                  | 57,253                | 9,330                    | 111,960                 | 2,122,048                   |
| 2046 | 93         | 4,682                  | 56,185                | 93         | 4,900                  | 58,798                | 9,582                    | 114,983                 | 2,237,031                   |
| 2047 | 94         | 4,808                  | 57,702                | 94         | 5,032                  | 60,386                | 9,841                    | 118,088                 | 2,355,119                   |
| 2048 | 95         | 4,938                  | 59,260                | 95         | 5,168                  | 62,016                | 10,106                   | 121,276                 | 2,476,395                   |

**Cumulative Benefit (\$)**





**Max**

Strategy:

**2019:** John files and suspends at age **66**.

**2019:** Mary claims on John's record at age **66**.

**2023:** John claims on own record at age **70**.

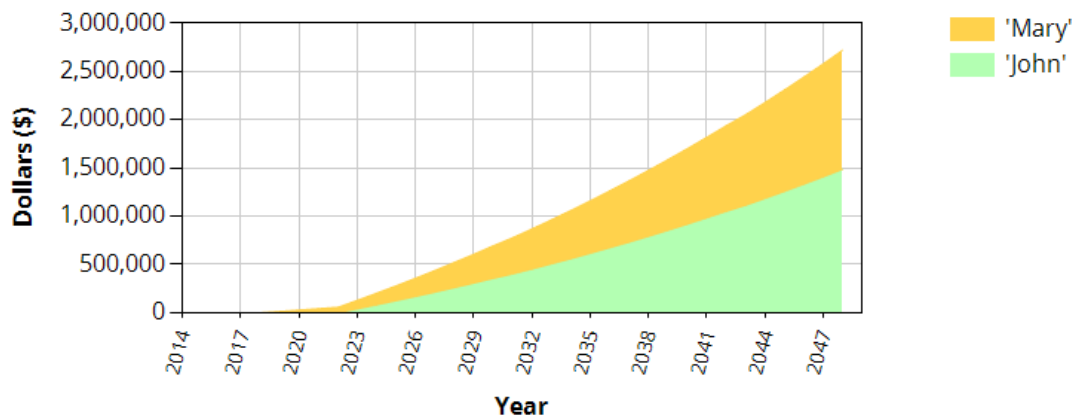
**2023:** Mary claims on own record at age **70**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**, PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

| Year | John's Age | John's monthly benefit | John's annual benefit | Mary's Age | Mary's monthly benefit | Mary's annual benefit | Combined monthly benefit | Combined annual benefit | Combined cumulative benefit |
|------|------------|------------------------|-----------------------|------------|------------------------|-----------------------|--------------------------|-------------------------|-----------------------------|
| 2015 | 62         | 0                      | 0                     | 62         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2016 | 63         | 0                      | 0                     | 63         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2017 | 64         | 0                      | 0                     | 64         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2018 | 65         | 0                      | 0                     | 65         | 0                      | 0                     | 0                        | 0                       | 0                           |
| 2019 | 66         | 0                      | 0                     | 66         | 1,140                  | 13,680                | 1,140                    | 13,680                  | 13,680                      |
| 2020 | 67         | 0                      | 0                     | 67         | 1,171                  | 14,049                | 1,171                    | 14,049                  | 27,729                      |
| 2021 | 68         | 0                      | 0                     | 68         | 1,202                  | 14,429                | 1,202                    | 14,429                  | 42,158                      |
| 2022 | 69         | 0                      | 0                     | 69         | 1,235                  | 14,818                | 1,235                    | 14,818                  | 56,976                      |
| 2023 | 70         | 3,349                  | 40,186                | 70         | 2,655                  | 31,860                | 6,004                    | 72,046                  | 129,022                     |
| 2024 | 71         | 3,439                  | 41,271                | 71         | 2,727                  | 32,720                | 6,166                    | 73,991                  | 203,013                     |
| 2025 | 72         | 3,532                  | 42,385                | 72         | 2,800                  | 33,604                | 6,332                    | 75,989                  | 279,002                     |
| 2026 | 73         | 3,627                  | 43,530                | 73         | 2,876                  | 34,511                | 6,503                    | 78,041                  | 357,043                     |
| 2027 | 74         | 3,725                  | 44,705                | 74         | 2,954                  | 35,443                | 6,679                    | 80,148                  | 437,190                     |
| 2028 | 75         | 3,826                  | 45,912                | 75         | 3,033                  | 36,400                | 6,859                    | 82,312                  | 519,502                     |
| 2029 | 76         | 3,929                  | 47,152                | 76         | 3,115                  | 37,383                | 7,045                    | 84,534                  | 604,036                     |
| 2030 | 77         | 4,035                  | 48,425                | 77         | 3,199                  | 38,392                | 7,235                    | 86,816                  | 690,852                     |
| 2031 | 78         | 4,144                  | 49,732                | 78         | 3,286                  | 39,428                | 7,430                    | 89,160                  | 780,013                     |
| 2032 | 79         | 4,256                  | 51,075                | 79         | 3,374                  | 40,493                | 7,631                    | 91,568                  | 871,581                     |
| 2033 | 80         | 4,371                  | 52,454                | 80         | 3,466                  | 41,586                | 7,837                    | 94,040                  | 965,621                     |
| 2034 | 81         | 4,489                  | 53,870                | 81         | 3,559                  | 42,709                | 8,048                    | 96,579                  | 1,062,200                   |
| 2035 | 82         | 4,610                  | 55,325                | 82         | 3,655                  | 43,862                | 8,266                    | 99,187                  | 1,161,387                   |
| 2036 | 83         | 4,735                  | 56,818                | 83         | 3,754                  | 45,047                | 8,489                    | 101,865                 | 1,263,252                   |
| 2037 | 84         | 4,863                  | 58,352                | 84         | 3,855                  | 46,263                | 8,718                    | 104,615                 | 1,367,867                   |
| 2038 | 85         | 4,994                  | 59,928                | 85         | 3,959                  | 47,512                | 8,953                    | 107,440                 | 1,475,307                   |
| 2039 | 86         | 5,129                  | 61,546                | 86         | 4,066                  | 48,795                | 9,195                    | 110,341                 | 1,585,648                   |
| 2040 | 87         | 5,267                  | 63,208                | 87         | 4,176                  | 50,112                | 9,443                    | 113,320                 | 1,698,968                   |
| 2041 | 88         | 5,410                  | 64,914                | 88         | 4,289                  | 51,465                | 9,698                    | 116,380                 | 1,815,347                   |
| 2042 | 89         | 5,556                  | 66,667                | 89         | 4,405                  | 52,855                | 9,960                    | 119,522                 | 1,934,869                   |
| 2043 | 90         | 5,706                  | 68,467                | 90         | 4,523                  | 54,282                | 10,229                   | 122,749                 | 2,057,618                   |
| 2044 | 91         | 5,860                  | 70,316                | 91         | 4,646                  | 55,747                | 10,505                   | 126,063                 | 2,183,681                   |
| 2045 | 92         | 6,018                  | 72,214                | 92         | 4,771                  | 57,253                | 10,789                   | 129,467                 | 2,313,148                   |
| 2046 | 93         | 6,180                  | 74,164                | 93         | 4,900                  | 58,798                | 11,080                   | 132,962                 | 2,446,111                   |
| 2047 | 94         | 6,347                  | 76,166                | 94         | 5,032                  | 60,386                | 11,379                   | 136,552                 | 2,582,663                   |
| 2048 | 95         | 6,519                  | 78,223                | 95         | 5,168                  | 62,016                | 11,687                   | 140,239                 | 2,722,903                   |

**Cumulative Benefit (\$)**



**Early**

Strategy:

**2015:** John claims on own record at age **62**.

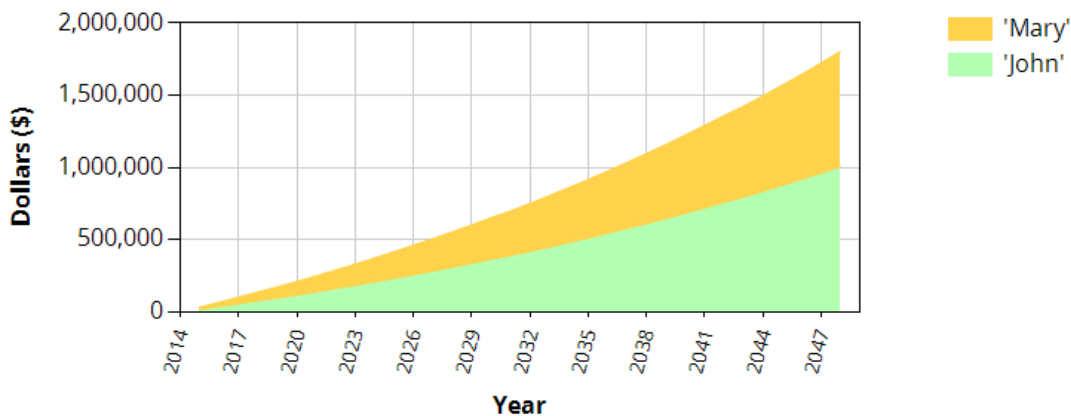
**2015:** Mary claims on own record at age **62**.

Assumptions:

Current year: **2015**, COLA: **2.7%**, Current age: **John 62, Mary 62**, PIA: **John \$2,050, Mary \$1,625**, Life expectancy: **John 95, Mary 95**.

| Year | John's Age | John's monthly benefit | John's annual benefit | Mary's Age | Mary's monthly benefit | Mary's annual benefit | Combined monthly benefit | Combined annual benefit | Combined cumulative benefit |
|------|------------|------------------------|-----------------------|------------|------------------------|-----------------------|--------------------------|-------------------------|-----------------------------|
| 2015 | 62         | 1,538                  | 18,450                | 62         | 1,219                  | 14,628                | 2,757                    | 33,078                  | <b>33,078</b>               |
| 2016 | 63         | 1,579                  | 18,948                | 63         | 1,252                  | 15,023                | 2,831                    | 33,971                  | <b>67,049</b>               |
| 2017 | 64         | 1,622                  | 19,460                | 64         | 1,286                  | 15,429                | 2,907                    | 34,888                  | <b>101,937</b>              |
| 2018 | 65         | 1,665                  | 19,985                | 65         | 1,320                  | 15,845                | 2,986                    | 35,830                  | <b>137,768</b>              |
| 2019 | 66         | 1,710                  | 20,525                | 66         | 1,356                  | 16,273                | 3,066                    | 36,798                  | <b>174,565</b>              |
| 2020 | 67         | 1,757                  | 21,079                | 67         | 1,393                  | 16,712                | 3,149                    | 37,791                  | <b>212,357</b>              |
| 2021 | 68         | 1,804                  | 21,648                | 68         | 1,430                  | 17,164                | 3,234                    | 38,812                  | <b>251,168</b>              |
| 2022 | 69         | 1,853                  | 22,233                | 69         | 1,469                  | 17,627                | 3,322                    | 39,860                  | <b>291,028</b>              |
| 2023 | 70         | 1,903                  | 22,833                | 70         | 1,509                  | 18,103                | 3,411                    | 40,936                  | <b>331,964</b>              |
| 2024 | 71         | 1,954                  | 23,449                | 71         | 1,549                  | 18,592                | 3,503                    | 42,041                  | <b>374,005</b>              |
| 2025 | 72         | 2,007                  | 24,082                | 72         | 1,591                  | 19,094                | 3,598                    | 43,176                  | <b>417,181</b>              |
| 2026 | 73         | 2,061                  | 24,733                | 73         | 1,634                  | 19,609                | 3,695                    | 44,342                  | <b>461,523</b>              |
| 2027 | 74         | 2,117                  | 25,400                | 74         | 1,678                  | 20,139                | 3,795                    | 45,539                  | <b>507,062</b>              |
| 2028 | 75         | 2,174                  | 26,086                | 75         | 1,724                  | 20,682                | 3,897                    | 46,769                  | <b>553,830</b>              |
| 2029 | 76         | 2,233                  | 26,791                | 76         | 1,770                  | 21,241                | 4,003                    | 48,031                  | <b>601,862</b>              |
| 2030 | 77         | 2,293                  | 27,514                | 77         | 1,818                  | 21,814                | 4,111                    | 49,328                  | <b>651,190</b>              |
| 2031 | 78         | 2,355                  | 28,257                | 78         | 1,867                  | 22,403                | 4,222                    | 50,660                  | <b>701,850</b>              |
| 2032 | 79         | 2,418                  | 29,020                | 79         | 1,917                  | 23,008                | 4,336                    | 52,028                  | <b>753,878</b>              |
| 2033 | 80         | 2,484                  | 29,803                | 80         | 1,969                  | 23,629                | 4,453                    | 53,433                  | <b>807,311</b>              |
| 2034 | 81         | 2,551                  | 30,608                | 81         | 2,022                  | 24,267                | 4,573                    | 54,875                  | <b>862,186</b>              |
| 2035 | 82         | 2,620                  | 31,434                | 82         | 2,077                  | 24,923                | 4,696                    | 56,357                  | <b>918,543</b>              |
| 2036 | 83         | 2,690                  | 32,283                | 83         | 2,133                  | 25,596                | 4,823                    | 57,879                  | <b>976,422</b>              |
| 2037 | 84         | 2,763                  | 33,155                | 84         | 2,191                  | 26,287                | 4,953                    | 59,441                  | <b>1,035,863</b>            |
| 2038 | 85         | 2,837                  | 34,050                | 85         | 2,250                  | 26,996                | 5,087                    | 61,046                  | <b>1,096,910</b>            |
| 2039 | 86         | 2,914                  | 34,969                | 86         | 2,310                  | 27,725                | 5,225                    | 62,695                  | <b>1,159,604</b>            |
| 2040 | 87         | 2,993                  | 35,913                | 87         | 2,373                  | 28,474                | 5,366                    | 64,387                  | <b>1,223,992</b>            |
| 2041 | 88         | 3,074                  | 36,883                | 88         | 2,437                  | 29,243                | 5,510                    | 66,126                  | <b>1,290,117</b>            |
| 2042 | 89         | 3,157                  | 37,879                | 89         | 2,503                  | 30,032                | 5,659                    | 67,911                  | <b>1,358,029</b>            |
| 2043 | 90         | 3,242                  | 38,902                | 90         | 2,570                  | 30,843                | 5,812                    | 69,745                  | <b>1,427,773</b>            |
| 2044 | 91         | 3,329                  | 39,952                | 91         | 2,640                  | 31,676                | 5,969                    | 71,628                  | <b>1,499,401</b>            |
| 2045 | 92         | 3,419                  | 41,031                | 92         | 2,711                  | 32,531                | 6,130                    | 73,562                  | <b>1,572,963</b>            |
| 2046 | 93         | 3,512                  | 42,139                | 93         | 2,784                  | 33,409                | 6,296                    | 75,548                  | <b>1,648,511</b>            |
| 2047 | 94         | 3,606                  | 43,276                | 94         | 2,859                  | 34,311                | 6,466                    | 77,588                  | <b>1,726,099</b>            |
| 2048 | 95         | 3,704                  | 44,445                | 95         | 2,936                  | 35,238                | 6,640                    | 79,683                  | <b>1,805,782</b>            |

**Cumulative Benefit (\$)**



## How to claim your Social Security benefits

The scenarios shown in this report indicate the ages at which each spouse might claim his or her retirement benefit, and the age at which one spouse may claim a spousal benefit. Both spouses may not receive a spousal benefit at the same time. This is because in order for the wife, say, to receive a spousal benefit based on the husband's work record, the husband must file for his own retirement benefit. Once he files for his own retirement benefit, he may not receive a spousal benefit if his own benefit is higher. So an important part of Social Security scenario planning is determining which spouse should claim the spousal benefit. Another important part is knowing the rules about when you can and can't claim a spousal benefit.

**File and suspend.** In order for a spouse to claim a spousal benefit, the spouse on whose work record the spousal benefit is based—usually the higher-earning spouse—must have filed for benefits. But the higher-earning spouse often wants to delay his or her benefit to age 70 in order to earn maximum delayed credits. In that case, the higher-earning spouse can file for Social Security at full retirement age or later and then immediately suspend his benefit. Filing will entitle his spouse to her spousal benefit. Suspending will allow his own benefit to earn 8% annual delayed credits. SSA representatives are familiar with this strategy. When filing by phone or in person at your local office, all you have to do is tell them that you want to file and suspend so your spouse will be entitled to a spousal benefit and so your own benefit can earn delayed credits. Please note that file-and-suspend cannot be done before full retirement age. Here is an SSA publication that tells about suspending benefits:

<http://www.ssa.gov/retire2/suspend.htm>

**Claim-now-claim-more-later.** Another strategy may call for one spouse to claim his or her spousal benefit off the other spouse's work record when his or her own retirement benefit is higher. For example, let's say the husband wants to delay his benefit to age 70. When he turns full retirement age, he may restrict his application to his spousal benefit and receive one-half of his wife's primary insurance amount for four years while his own retirement benefit increases by 8% per year to age 70. As always, the other spouse, on whose record the spousal benefit is based, must have filed for benefits. Please note that it is not possible to file a restricted application before full retirement age. Here is some information on benefits for you as a spouse:

<http://www.ssa.gov/retire2/applying6.htm#a0=0>

**How to file.** The easiest way to file for Social Security benefits is online. Just go to <http://www.socialsecurity.gov> and click on "Apply online for Retirement Benefits." However, if you are implementing file-and-suspend or claim-now-claim-more-later, which involve voluntary suspension or restriction of application, you will need to talk with a representative to make sure your intentions are carried out. The safest way to do this is to make an appointment at your local office. Explain to the representative what you are trying to accomplish. If you are delaying your benefit to age 70 in order to earn maximum delayed credits, make sure the representative understands this. If there is any doubt, ask to speak to a supervisor. It is not unheard of for claimants to receive wrong information from Social Security representatives who have not been adequately trained in the nuances of Social Security claiming strategies. A couple of weeks after you have completed your application you will receive an award letter. Make sure the letter matches your intentions. For example, if you are expecting to receive a spousal benefit equal to 50% of your spouse's PIA and the letter indicates a higher amount, the suspension or application restriction may not have been processed properly. In order not to jeopardize your delayed credits, you should notify SSA immediately and have the application corrected.

## What this report does not include

You should know that this report has a number of limitations:

**The numbers you see here are not exact.** No one can ever know the exact amount of their Social Security benefit until it is actually received. But by making certain assumptions and trying out different claiming analyses, you can see how your lifetime Social Security income may change depending on when you claim benefits. The purpose of this report is to give you a long-term perspective on Social Security, which is one of the few sources of retirement income that continues for life.

**Scenarios are not exhaustive.** There are many possible claiming scenarios. This report shows you a handful of scenarios which seem appropriate based on your personal circumstances. We can run additional scenarios if you wish.

**Results are based on assumptions.** The key assumptions used are: 1) the primary insurance amounts for husband and wife as estimated by the Social Security Administration; 2) life expectancies for husband and wife; and 3) future cost-of-living adjustments. If any of these numbers turn out to be different from the assumptions, your actual Social Security income stream will be different. If you wish to use different assumptions from the ones used in this report, please let us know and we can re-run the analysis for you.

**Social Security may be reformed.** It is possible that the Social Security system could be reformed by Congress in the future. Possible reforms may include raising the full retirement age, changing the benefit formula, changing the formula for cost-of-living adjustments, and others. There is no way to know when or how Social Security might be reformed in the future.

**WEP and/or GPO may not be incorporated.** If you ever worked in a job that did not pay into Social Security and you are entitled to a pension from that job, your Social Security benefit may be reduced. The applicable reduction in retirement, spousal, or survivor benefits may not be reflected in this report.

**Earnings test is not incorporated.** If you file for benefits before full retirement age and you work, some or all of your benefits may be withheld due to the earnings test. These reductions are not incorporated into these estimates.

**Children's benefits are not included.** If you have a child under 18, the child may be entitled to children's benefits. These amounts are not incorporated into this report.

**Survivor benefit assumptions assume that the deceased spouse claimed at full retirement age** or later and that the surviving spouse claimed the survivor benefit at full retirement age or later. If either spouse claimed earlier, the survivor benefit could be different.

**Taxes are not incorporated.** If your modified adjusted gross income is over a certain threshold, up to 85% of your Social Security benefits may be reportable as income on your federal income tax return. The estimates in this report do not account for taxes. Please see your tax advisor for more information.

This report is for informational purposes only. The purpose of the report is to educate and give general guidance to help craft a personalized approach to taking Social Security. The use of different assumptions, particularly life expectancy, could change the outcome. It is therefore important for you to consider a wide variety of factors and decide for yourself when is the optimal time to claim Social Security. This report was generated by software developed by Horseshmouth, LLC. Neither we, nor Horseshmouth assumes any liability nor responsibility to any person or entity with respect to any loss or damage caused by information contained in this report.

Copyright ©2015 Horseshmouth, LLC. All Rights Reserved.