



Welcome to our presentation today. I'd like to thank you all for coming. My name is \_\_\_\_\_ and I'm the Founder/President of \_\_\_\_\_ and I'll be your presenter today. Thank you for joining us!

\*\*\*this is a great time to introduce yourself and your company to the audience. Feel free to include why you got into the business, info about your personal life, a shared experience or mention your services. Make a connection with your audience\*\*\*

Our presentation will last about 45 minutes. Today, we'll be discussing 3 important themes as they relate to Social Security:

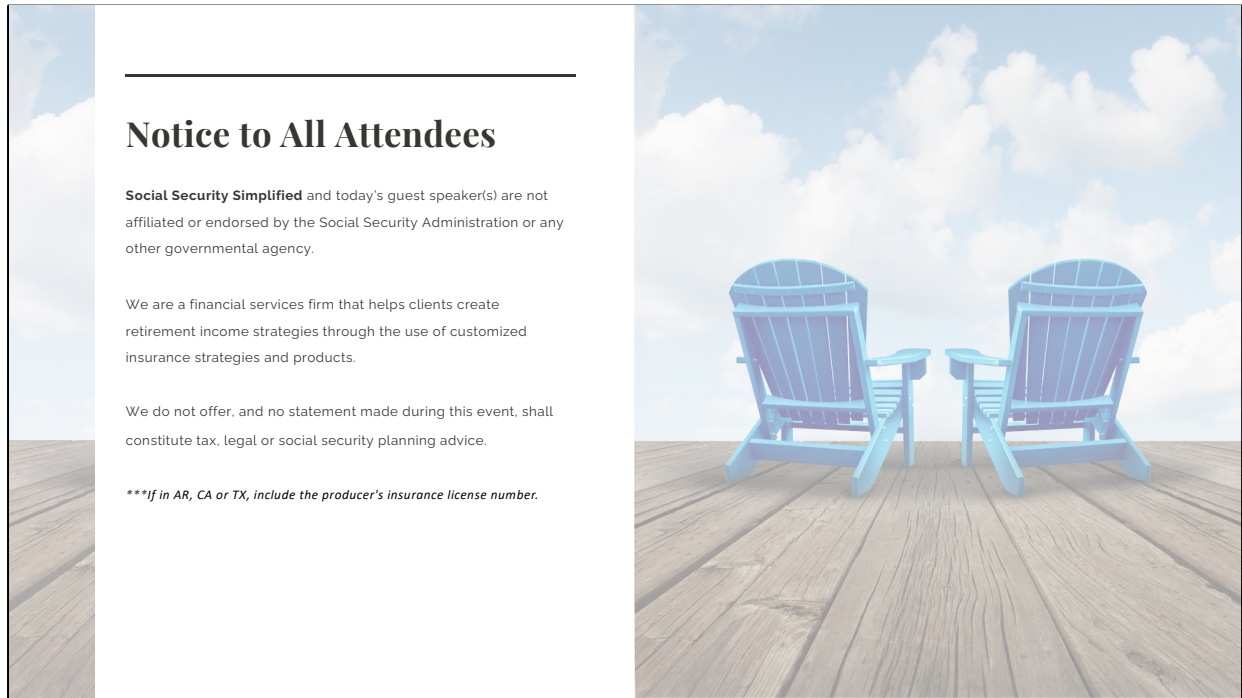
First is that Social Security can be confusing. There are many options for when and how you can file for your benefits. The rules are often complicated and confusing. How do you or you and your spouse, if you're married, find the right combination of when and how to file to make sure you get the most you can out of Social Security? After all, you've paid into the system for years and years through your taxes. It's only fair to get the most income back you can. The big question is...where can you turn to for help and to help you put a filing strategy together? Unfortunately, it's not the folks at Social Security who can help you. I'll explain why in a few minutes.

Second is that there's a lot of money at stake between different filing options. The difference in income between 1 filing decision and another could be thousands of dollars over your lives. Would you like that money in your pocket or would you prefer Uncle Sam keeps it inside the Social Security system? I think most of us want the money!

The third and final theme is that while finding the right Social Security strategy is important and can increase your income during retirement, for most of us here today, Social Security is only going to provide a portion of the income you'll need in retirement, but it won't provide all the income you need. For some of us, Social Security might cover a good chunk of our income needs in retirement. Maybe for you, it'll provide 70% of the income you need. For others, Social Security won't cover much at all. Maybe that's more in the 30% range of what you'll need. The key is everyone's situation will be different. An important question we should all be asking ourselves is what is our approach to create that additional income we'll need throughout our retirement years?

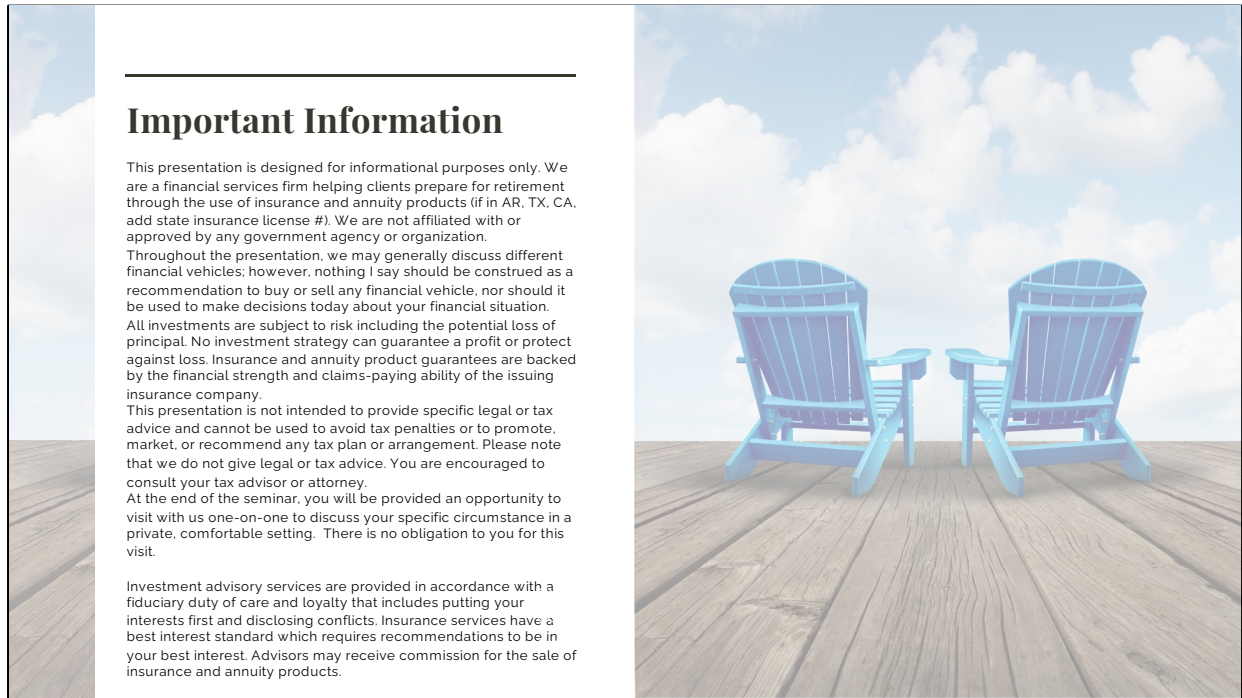
Many of you may know this but when they're asked what their #1 financial concern is, many folks who are in or near retirement say it's, "running out of money in retirement." That's the #1 concern for many people. None of us want to make the kinds of hard choices later in life that can come from not having enough money. And certainly, we don't want to be a burden to our family and friends.

So how do we create a sustainable retirement income to ensure we don't run out of money? We'll be talking about that today as well.



Before we get into the presentation, I'd like to be clear that I'm not from the Social Security Administration or affiliated with any governmental agency, but that's a good thing and here's why. The help that the Social Security Administration can provide is limited. The fine folks down at the Social Security office are not allowed to give advice. They're not allowed to make recommendations as to what your best filing strategy might be. They can tell you basics, like your benefit amounts and the basic rules. If we come back to my first 2 themes today, that can be a problem for many folks. The first theme was Social Security can be confusing and the second theme was there's a lot of money at stake. But the Social Security personnel can't give you advice.

I commend you for taking an important step and being here today to start your process for creating a sound retirement strategy.



## Important Information

This presentation is designed for informational purposes only. We are a financial services firm helping clients prepare for retirement through the use of insurance and annuity products (if in AR, TX, CA, add state insurance license #). We are not affiliated with or approved by any government agency or organization.

Throughout the presentation, we may generally discuss different financial vehicles; however, nothing I say should be construed as a recommendation to buy or sell any financial vehicle, nor should it be used to make decisions today about your financial situation.

All investments are subject to risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. Insurance and annuity product guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.

This presentation is not intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market, or recommend any tax plan or arrangement. Please note that we do not give legal or tax advice. You are encouraged to consult your tax advisor or attorney.

At the end of the seminar, you will be provided an opportunity to visit with us one-on-one to discuss your specific circumstance in a private, comfortable setting. There is no obligation to you for this visit.

Investment advisory services are provided in accordance with a fiduciary duty of care and loyalty that includes putting your interests first and disclosing conflicts. Insurance services have a best interest standard which requires recommendations to be in your best interest. Advisors may receive commission for the sale of insurance and annuity products.

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**Julian Smith, Founder**

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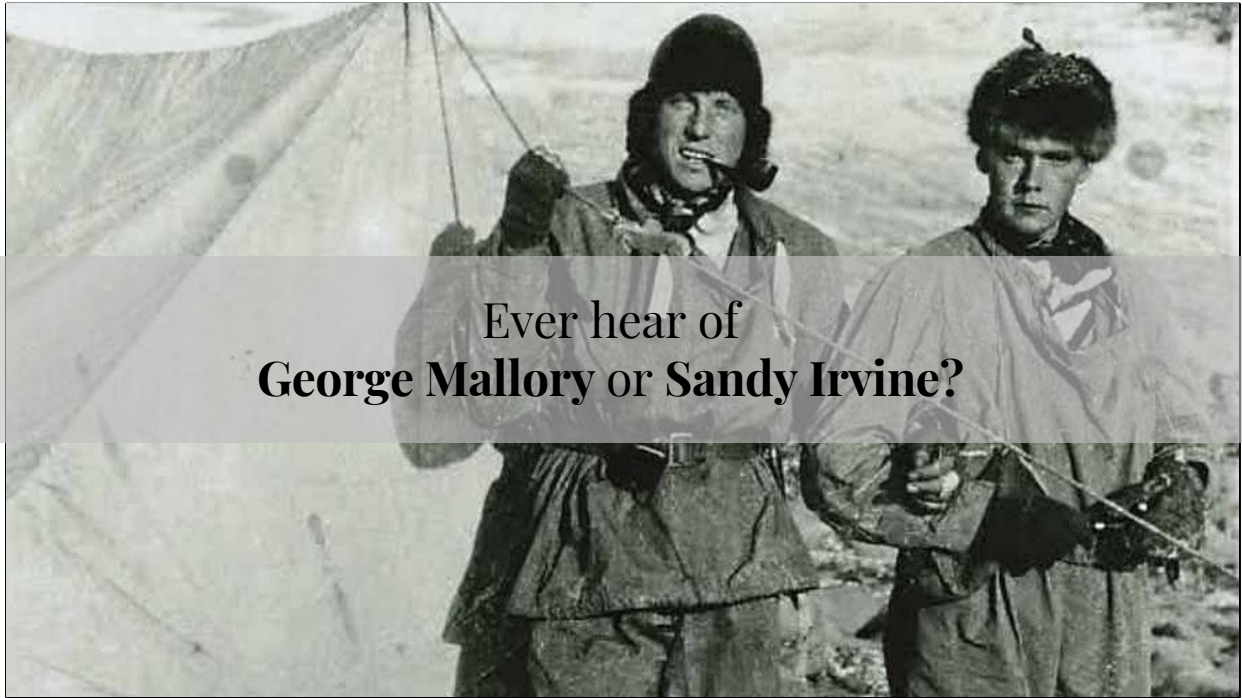
## *Your Host*

As I said at the beginning, my name is \_\_\_\_\_ and I'm the Founder/President \_\_\_\_\_.

For the last \_\_ years, our clients have asked us to help them prepare for and have the retirement they've worked so hard to achieve. Typically, when people come to us they're concerned about a few common areas: \_\_\_\_

They're unsure what the best way is to go about \_\_\_\_

We provide financial and insurance strategies for folks who are in or near retirement.



Ever hear of  
**George Mallory or Sandy Irvine?**

Before getting started, I'd like to share a little story, a "metaphor" for today. Does anyone know who George Mallory and Sandy Irvine is? They were the first to summit Mt. Everest. Doesn't sound familiar, does it? Well they were, in 1924, 30 years before Sir Edmund Hillary (pictured here) accomplished the feat.



The reason you know Edmund Hillary's name is well, because he made it back down to claim the fame. George is still up there.

In fact, of the 192 deaths that occurred above base camp between 1921 and 2006, 56% of them were on the descent down the mountain. The majority of deaths take place on the way down. So what's the relation to retirement? You spend 30, 40, maybe 50 years working, and saving and investing for your retirement, but NOT spending it! Then we enter retirement and we start pulling the money out.

And our number 1 fear? That we run out of oxygen before we get down the mountain. I'll show you what this really looks like later.

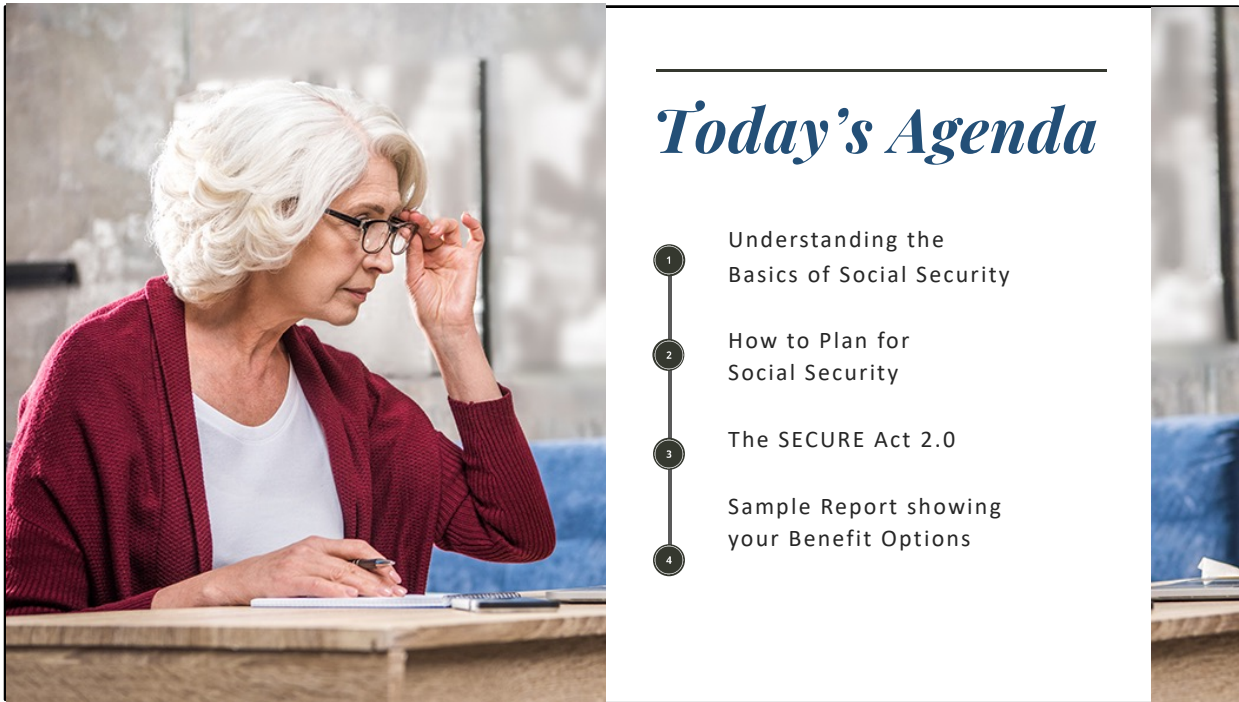


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## *What to Expect*

Our presentation will last approximately 1 hour and will cover **4 Main Topics** to help you better understand Social Security.

So today we will cover 4 key topics, 4 things to consider when you are planning for social security income.



First, we'll review the basics of Social Security and go over some of the terminology, the age requirements, how benefits are calculated, and possible tax implications.

Second, we will review the process for planning your social security income, including the information you will need to prepare your social security strategy, the potential benefit to delaying payments and where to find your benefit statement.

Third, we will discuss the Secure Act 2.0. Fourth, we'll look at a sample report showing your benefit options.

Throughout the presentation, we will include examples, case studies and concepts to help illustrate this complicated system.

So how do we create a sustainable retirement income to ensure we don't run out of money? Today is not the time, nor place to hold that discussion. It's far too personal – but we will absolutely make ourselves available to you for that conversation should you need it.

As part of today's presentation, I will make myself available for a 15 minute complimentary appointment with each of you over the coming weeks. During that initial meeting, our goal will be to understand your concerns, your financial situation, your retirement plans and goals, and your Social Security benefits. If it makes sense to you and to us after that appointment, we can discuss next steps and whether or not it makes sense for us to help you put a financial strategy in place. There's no obligation and there's no pressure.

We will also go through a basic Q&A of the most common questions we receive from our clients regarding Social Security. We want to respect your time today and we want to respect everyone's privacy, we ask that you write down any questions specific to your situation. And we will review those during a one-on-one complimentary appointment.



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## TOPIC 1

# *Understanding the Basics of Social Security*

**Common Questions** about  
Social Security Benefits

So, the basics. Some of this may be a refresher for some of you, but it is important to be comfortable with some general information about Social Security before we start to discuss ways to help you maximize your benefits.

## When can I file for Benefits?

- **Min/Max Ages**
  - Born after 1937
  - Minimum age: 62
  - Maximum age: 70
- **Full Retirement Age (FRA)**
  - Born 1943 to 1954
  - FRA Age: 66
    - See Chart at SSA.gov

Full Retirement and Age 62 Benefit By Year Of Birth

Year of Birth <sup>1</sup>	Full (normal) Retirement Age	Months between age 62 and full retirement age <sup>2</sup>	At Age 62 <sup>3</sup>			
			A \$1000 retirement benefit would be reduced to	The retirement benefit is reduced by <sup>4</sup>	A \$500 spouse's benefit would be reduced to	The spouse's benefit is reduced by <sup>5</sup>
1943-1954	66	48	\$750	25.00%	\$350	30.00%
1955	66 and 2 months	50	\$741	25.83%	\$345	30.83%
1956	66 and 4 months	52	\$733	26.67%	\$341	31.67%
1957	66 and 6 months	54	\$725	27.50%	\$337	32.50%
1958	66 and 8 months	56	\$716	28.33%	\$333	33.33%
1959	66 and 10 months	58	\$708	29.17%	\$329	34.17%
1960 and later	67	60	\$700	30.00%	\$325	35.00%

1. If you were born on January 1<sup>st</sup>, you should refer to the previous year.
2. If you were born on the 1<sup>st</sup> of the month, we figure your benefit (and your full retirement age) as if your birthday was in the previous month. If you were born on January 1<sup>st</sup>, we figure your benefit (and your full retirement age) as if your birthday was in December of the previous year.
3. You must be at least 62 for the entire month to receive benefits.
4. Percentages are approximate due to rounding.
5. The maximum benefit for the spouse is 50 percent of the benefit the worker would receive at full retirement age. The percent reduction for the spouse should be applied after the automatic 50 percent reduction. Percentages are approximate due to rounding.

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

NOTE: If you were born on January 1st of any year, you should refer to the previous year. (If you were born on the 1st of the month, we calculate your benefit (and your full retirement age) as if your birthday was in the previous month.)

**So, When Can I File for Benefits?** This is easily the most common question we get at our office on a daily basis. For most people in the room today, you will be eligible to apply for benefits at age 62 and your Full Retirement Age (FRA) will be 66 or 66 and some months. You will hear us refer to Full Retirement Age as FRA for short and this is an important number to remember.

**Question for you to ask the audience: *Has anyone been told that they should file at age 62 immediately when they are eligible and that this is the way to receive the most benefit?***

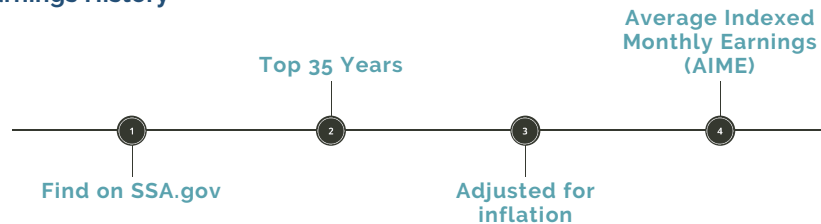
While this may certainly be true for some people, be wary of anyone that tells you that one strategy is best for everyone. For example, for married couples, this strategy could potentially result in a significant loss of total benefits over their lifetime.

I like to compare it to stepping onto the lot at a car dealership and the salesman coming up to me and pushing a sports car on me at the outset, before even asking what I need. Of course I want a sports car, but I may have to haul 6 kids to baseball practice! Not going to work for me, is it?

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## How are my benefits calculated?

- **Earnings History**



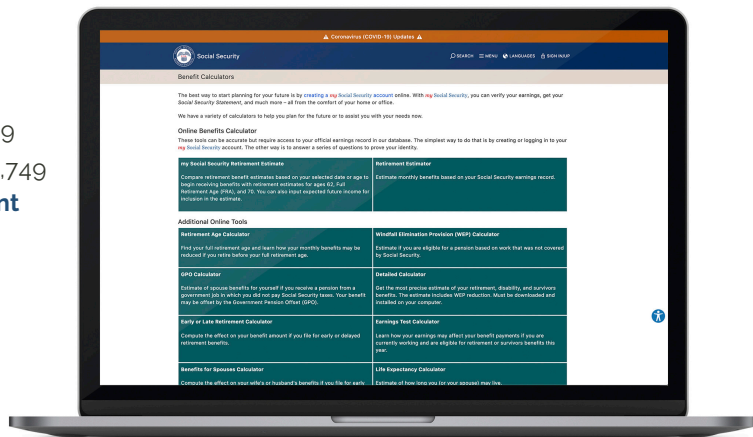
- **Primary Insurance Amount** (FRA Benefit)

Calculating your Full Retirement Age benefit can be fairly complicated but we will go over the basic components with you. Thankfully, all this information is readily available online at the SSA.gov and your statement will show what your expected monthly income will be at FRA based on your work history.

To calculate your Primary Insurance Amount, which is the amount you are projected to receive at Full Retirement Age, the Social Security Administration will use your top 35 years of work history. These earnings will then be adjusted for inflation to determine your AIME. That stands for "Average Monthly Indexed Earnings".

# How are my benefits calculated?

- 2026 PIA Formula
- 3 "Bend Points"
  - 90 % of first \$1,286
  - + 32% of \$1,286 - \$7,749
  - + 15% of Amt. OVER \$7,749
- Primary Insurance Amount



<https://www.ssa.gov/benefits/retirement/>  
<https://www.ssa.gov/pact/cola/maintenance.html>

Then it's going to go through a tiered calculation ranging from 15%-90% to determine your Primary Insurance Amount or PIA.

**Question to ask audience: Anyone Confused at All?** That's OK I was too! Thankfully, you will not have to calculate this yourself.

You simply want to make sure that your work history is accurate and that you have an accurate copy of your benefit statement so you can start the planning process and decide when to file. We always recommend you examine your work history and statement to make sure it's accurate long before you actually file. If there is an error, it may take some time to correct; and remember, THEY WILL NOT go back to make corrections after you begin receiving your benefit – it is a LOCK.

# How does 'COLA' impact my benefits?

- **COLA Averages**
  - 1975-2019
    - 3.68% per year
  - 1990-2023
    - 2.67% per year
- **2026 COLA-2.8%**

**COLA stands for "Cost-of-Living-Adjustment"** and is designed to help protect your social security income from the effects of inflation.

Year	COLA	Year	COLA	Year	COLA
1975	8.0	1995	2.6	2015	0.0
1976	6.4	1996	2.9	2016	0.3
1977	5.9	1997	2.1	2017	2.0
1978	6.5	1998	1.3	2018	2.8
1979	9.9	1999*	2.5	2019	1.6
1980	14.3	2000	3.5	2020	1.3
1981	11.2	2001	2.6	2021	5.9
1982	7.4	2002	1.4	2022	8.7
1983	3.5	2003	2.1	2023	3.2
1984	3.5	2004	2.7	2024	2.5
1985	3.1	2005	4.1	2025	2.8
1986	1.3	2006	3.3		
1987	4.2	2007	2.3		
1988	4.0	2008	5.8		
1989	4.7	2009	0.0		
1990	5.4	2010	0.0		
1991	3.7	2011	3.6		
1992	3.0	2012	1.7		
1993	2.6	2013	1.5		
1994	2.8	2014	1.7		

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

**So how many of you have heard that COLA is good for you?** COLA stands for "Cost of Living Adjustment" and is designed to help protect your social security income from the effects of inflation. It is important that at least a portion of your retirement income has inflation protection to help address rising inflation, and this is one of the benefits that social security offers.

Now this is curious: since 1975 has been close to 4%. However, more recently, from 1990 to 2022, it has dropped to about 2.66%. Because interest rates and inflation have been depressed over the past 20 years, the COLA rate has been adjusted downward. So to be conservative, we use a rate of 3% when preparing your Social Security Reports in our office. If the rates are higher, there may be even more at stake if you don't plan.

Long story short, COLA can be a valuable feature and can help your income keep up with inflation as you get further into retirement. It doesn't always work as efficiently as we want however. And it's sort of built into the system.

You've heard the term CPI – Consumer Price Index. It is metaphorically to average cost of a basket of goods. Seriously a gallon of milk, quart of orange juice, loaf of bread, a gallon of gasoline, a light bill, a movie ticket – you get the picture. So they take this basket and they track the cost year after year after year – that's how they measure inflation.

Your Social Security benefits are based on a variation of this called the CPI-W. Which stands for W-wage earners and clerical workers – and that's exhibited in these numbers up here. The problem is, while you're working, you're a wage earner, that's fine. But in retirement, this doesn't apply to you.

There is actually another index – CPI-E sorry, but that stands for elderly – we'll all be there. What's the difference, well, they've added a few items to the basket. Which includes things like prescription meds, eyeglasses, doctor's appointments, ER visits. Let's ask it this way... Do you think cost of healthcare is going up? Do you think it's going up faster than a gallon of gas? I think we all agree yes on this!

The most important item to keep in mind is that, although not perfect, there is generally an increase to your social security benefit due to increasing cost of living. And this is very important considering that in most cases, if there is to be another pension, like from your employment, those pensions NEVER provide inflation protection. If you are planning on retiring in the next 5-10 years, how's that fixed income going to feel when the world around it is not fixed.

So the question remains ... While your social security benefits have an inflation protection feature, will the rest of your retirement income also be protected against it? We can help you with that too.

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## Can I work and collect benefits?

If you begin collecting benefits **before** your Full Retirement Age (FRA), the amount of "Earned Income" you can make without penalty is significantly reduced.

- **2026 Numbers**

- Before FRA (62-65)
  - Exempt Amount: \$24,480
  - \$1 Reduction > \$2 Income
- During FRA (66)
  - Exempt Amount: \$65,160
  - \$1 Reduction > \$3 Income
  - Monthly Offset

This example is shown for illustrative purposes. It represents past performance only which may not be used to predict or project future results.

**Can I Work & Collect Benefits?** Well, yes; however, there's always a "however". If you start taking your benefit before or during your Full Retirement Age year, there may be a reduction in your benefit, or penalty.

For instance, if you're working and you take benefits before your FRA, for every dollar you earn above \$24,480, your social security benefit will reduce by 50 cents. Now this only holds for W2 or 1099 income earned. Income from pensions and annuities are not penalized.

## Earnings Penalty

(Age 65; before FRA)

Earned Income = \$50,000

Earnings Test = \$24,480

PENALTY BASIS = \$25,520

## Social Security Penalty

**\$12,760**

# Example

This example is shown for illustrative purposes. It represents past performance only which may not be used to predict or project future results.

Let's look at an example—if you are 65 and decide to collect Social Security benefits while still working, and you earn \$50,000 per year, the 2026 earnings limit before full retirement age is \$24,480.

After subtracting the exempt amount of \$24,480, the amount subject to the earnings test is \$25,520.

Because benefits are reduced \$1 for every \$2 earned over the limit, the estimated reduction for the year would be \$12,760.

Next, we'll cover how Social Security withholds benefits to apply this reduction and how benefits are recalculated after you reach full retirement age.



## Will my benefits be taxable?

### INDIVIDUAL FILING

- 85% of Benefits Taxable
  - Greater Than \$34,000
- 50% of Benefits Taxable
  - Greater Than \$25,000
  - Less Than \$34,000
- 0% of Benefits Taxable
  - Less Than \$25,000

### MARRIED / JOINT FILING

- 85% of Benefits Taxable
  - Greater Than \$44,000
- 50% of Benefits Taxable
  - Greater Than \$32,000
  - Less Than \$44,000
- 0% of Benefits Taxable
  - Less Than \$32,000

[www.irs.gov/newsroom/irs-tax-tips](http://www.irs.gov/newsroom/irs-tax-tips)

A lot of new retirees get taken by surprise when it comes to the taxability of their Social Security Benefits! By itself – your Social Security isn't taxed. It's your **other** income that makes it taxable!

The IRS has a formula to calculate how much of your SS gets taxed:

100% of IRA, Pension, Rental Income, Earned Income

+

50% of your Social Security Income

Once that figure reaches \$32,000 for married Couples (\$24,000 for Single filers) you now have gone from 0% of your SS being taxed to 50% of it being taxed! When that figure hits \$44,000 for married filers—you now have 85% of your Social Security being taxed! Now imagine you're right at that \$44,000 threshold; the next \$1 you take out of your IRA—you now have \$1.85 of taxable income!



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## TOPIC 2

### *How to Plan for Social Security*

Ensuring you have **All the Facts**  
before **Starting Social Security**

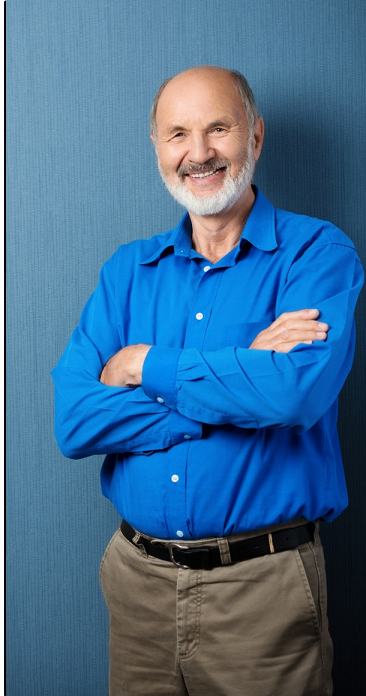
Now let's talk about how to plan for Social Security



- 
- Steps to take
  - How it works and what to expect
  - Variables to consider; how long to wait
  - Factors to consider
  - Break-Even Analysis

## Planning for Social Security

In this next section, we will discuss the steps you need to take to start the planning process, how it works and what to expect. Specifically, we will talk about the variables to consider when deciding how long to wait before starting benefits, what factors to consider when putting your plan in place. And then there's the Break-Even Analysis.



- 
- Your Complete Wage History
  - Desired Retirement Age
  - Estimated Life Expectancy
  - Inflation / Cost of Living
  - Other Sources of Income
    - Qualified Accounts
    - Non-Qualified Accounts

## What to Consider

The factors you need to consider are:

Your Wage History – goes hand-in-hand with your Benefits estimate.

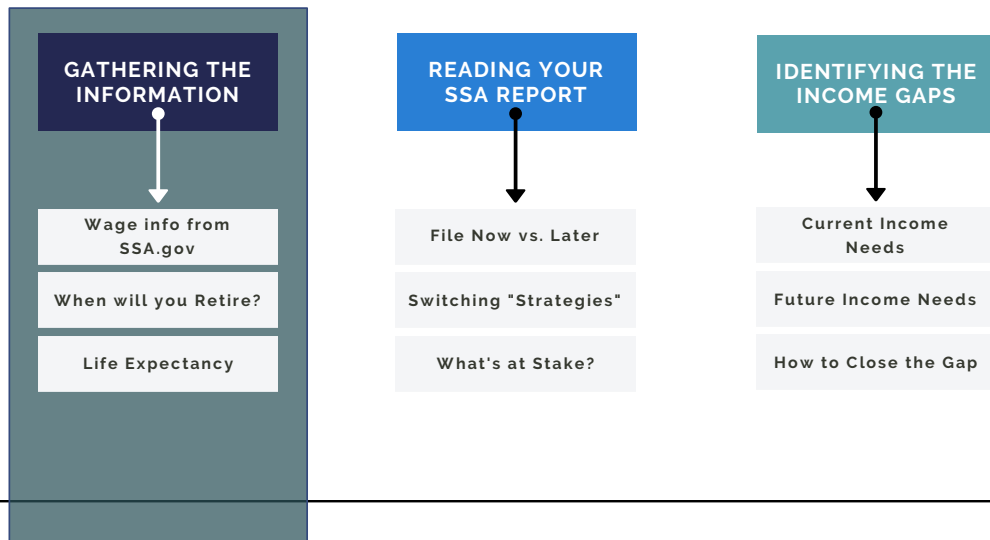
Your Desired Retirement Age

Your Estimated Life Expectancy

Factoring-in Cost of Living, and

What are your other sources of Income?

# Steps in the Process



So first is your Wage History & Benefits Estimate: go to [www.ssa.gov](http://www.ssa.gov); **Sign-Up**, then click on **My Social Security**.

Then, what is your Desired Retirement Age? Don't automatically think that that's the same age as when you begin taking your Social Security Benefits.

Next is your Life Expectancy. How long/up until what age do you want your money to last?

Your approach needs to include INFLATION. We typically use 3% in our assumptions to see how well your estimate is keeping up.

## Steps in the Process



After your complimentary appointment, you'll receive your very own, personal **SOCIAL SECURITY BREAK-EVEN REPORT** showing you the difference between a "file now" and a "file later" outcome. Chances are there aren't any "file and suspend" switching-strategies available to you, unless you've turned 62 by Dec. 31st 2015. If that applies to you—then you have even more options!

Then what's at stake? What could the outcome be if you don't do any planning and you just PICK? Most decisions you make around your Social Security benefits are irreversible! So you may want to take this a step further...

# Steps in the Process



Most of you will be looking towards your other sources of income: Pensions; your IRA's & 401k's, Roth IRA accounts, and so on.

The **Social Security Report** takes your Current Income needs and turns them into your Future Income needs. It can show you what might happen under various ADVERSE conditions: HIGHER INFLATION; AN INCREASE IN MEDICAL EXPENSES; A SEVERE DOWN-TURN IN THE STOCK MARKET; THE DEATH OF A SPOUSE WELL BEFORE HIS OR HER NORMAL LIFE EXPECTANCY. What will be the outcome? And will your strategy hold up?

## Longer Wait = More Benefits?

- **Full Retirement Age (FRA)**
  - Benefit \$2000/month
  - \$24,000 / year
- **Minimum Age - 62**
  - Benefit \$1,500/month
  - \$18,000 / year
- **Maximum Age - 70**
  - Benefit \$2,640 / month
  - \$31,680 / year

Age	Benefit %	Benefit \$
Actuarial Reduction		
62	75%	\$1,500
63	80%	\$1,600
64	86.7%	\$1,733
65	93.3%	\$1,866
Full Retirement Age		
66	100%	\$2,000
Delayed Retirement Credits		
67	108%	\$2,160
68	116%	\$2,320
69	124%	\$2,480
70	132%	\$2,640

BASED ON \$2,000 / MONTH

NOTE: Example shown for illustrative purposes only.

*\*chart is an example from the SAA website using a hypothetical client's info\**

**Longer Wait Equals More Benefits?** If you were born between 1943 and 1954, Your Full Retirement Age is 66. Assuming your PIA at 66 is \$2,000/Mo.

If you retire early at Age 62 – your benefit is \$1500 (reduced by 25%)

If you retire 1 year early – your benefit is reduced by about 7%

If you delay 1 Year to 67 – you'll get an 8% increase in your amount

If you wait until Age 70 – you go from \$2,000 to \$2,640

Now let's go back to the COLA: At a 3% average COLA – your benefit will DOUBLE in 24 years

Your \$1,500 benefit is now \$3,000 per month

Your \$2,640 benefit is now \$5,280 per month >>>>76% more in pay!

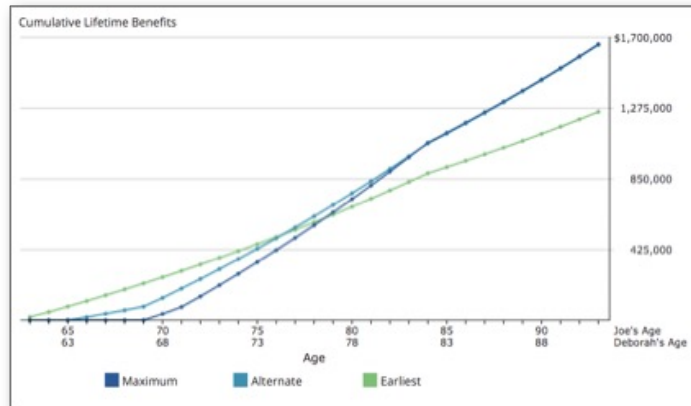
Centenarians are the fastest growing age segment of the population today!

(Source: [https://www.courier-](https://www.courier-journal.com/story/life/wellness/health/2022/05/26/fastest-growing-age-group-people-over-85-live-long-well/7389772001/)

[journal.com/story/life/wellness/health/2022/05/26/fastest-growing-age-group-people-over-85-live-long-well/7389772001/](https://www.courier-journal.com/story/life/wellness/health/2022/05/26/fastest-growing-age-group-people-over-85-live-long-well/7389772001/))

## What is Break-Even Analysis?

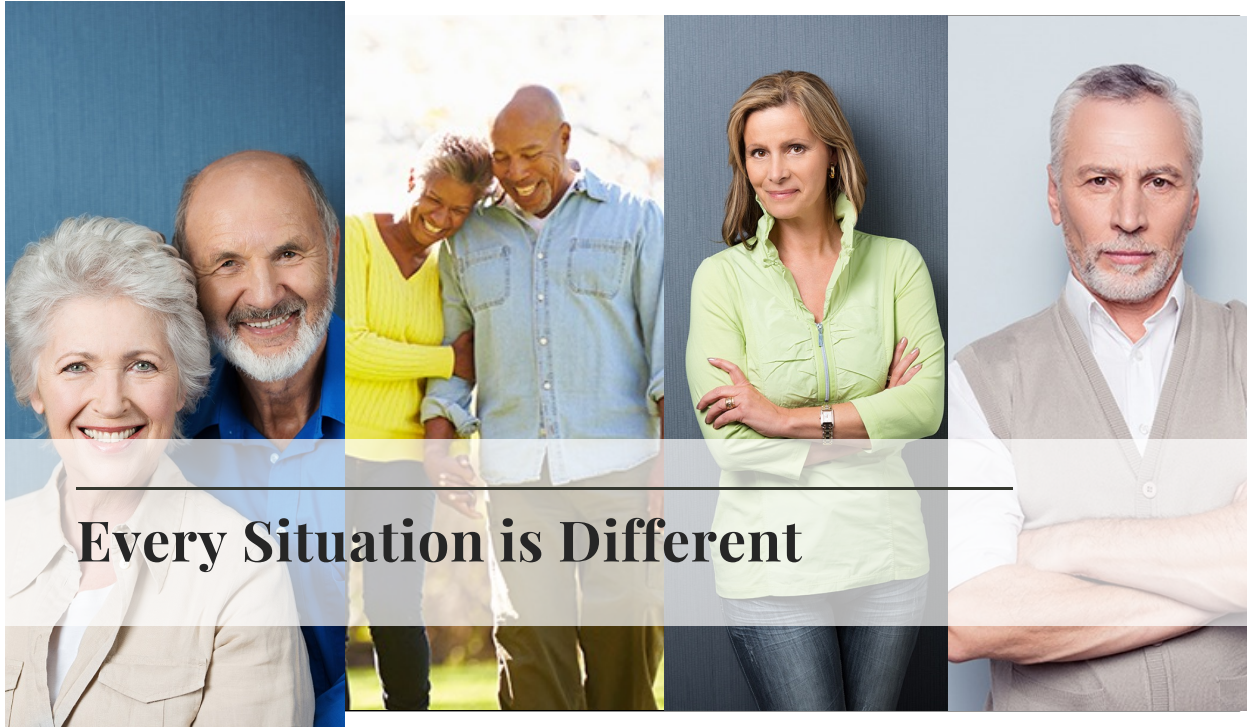
A common strategy used to determine the cost of taking benefits early or the advantage of taking benefits later.



NOTE Example shown for illustrative purposes only.

*\*graph is a source from a hypothetical client's break-even analysis\**

Here is a page-grab from your Break-Even Analysis showing your Earliest, normal FRA, and Maximum election ages—with total incomes through age 95.



The important thing to remember is that everyone's situation is different and it doesn't hurt to know your options. As we mentioned earlier today, we are offering everyone a complimentary appointment where we will sit down with you and prepare your customized report at no charge.



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## TOPIC 3

# *The SECURE Act 2.0*

Setting **Every Community Up** for  
Retirement **Enhancement**

Now we will go over the Secure Act 2.0, which stands for Setting Every Community Up for Retirement Enhancement.

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## The SECURE Act:

- Signed into Law on December 29, 2022
- Enforced as of January 1, 2023
- Could have significant impact on Retirement Savings, Legacy Planning, RMDs



On December 29th, 2022, President Biden signed into law the SECURE Act 2.0. The SECURE Act 2.0 ushers in a list of new policy and rule changes to retirement plans, income distributions, RMDs, IRAs, legacy planning and more. Millions of Americans are expected to be impacted in some way by this new legislation, and today we'll cover the most important areas with respect to your retirement and legacy planning.



- The age that triggers RMDs increases to 73 in 2023 and 75 in 2033
- The penalty for failing to take an RMD will decrease to 25% of the RMD amount, from 50% currently, and 10% if corrected in a timely manner for IRAs.
- Starting in 2024, RMDs are no longer required from Roth accounts in employer retirement plan
- 2026 catch-up contributions: 401(k), 403(b), and governmental 457(b): standard catch-up (age 50+) is \$8,000
  - SECURE 2.0 "super catch-up" (ages 60–63): \$11,250 in 2026
  - IRAs: contribution limit is \$7,500 and the catch-up (age 50+) is \$1,100
- Defined contribution retirement plans will be able to add an emergency savings account associated with a Roth account

## Key Takeaways

<https://www.fidelity.com/learning-center/personal/finance/secure-act>  
<https://www.irs.gov/retirement-plans/required-minimum-distributions-rmds>  
<https://www.irs.gov/retirement-plans/required-minimum-distributions-rmds>  
<https://www.irs.gov/retirement-plans/required-minimum-distributions-rmds>

Next, let's hit the key SECURE Act 2.0 updates that are most likely to affect people in the room today. The goal of the law is simple: help more Americans save, make plans easier to use, and give families more flexibility.

### RMD changes

The age to begin Required Minimum Distributions is now **73** for people who reach age 73 between **2023 and 2032**. And the law schedules another increase to **age 75 starting in 2033**.

### Higher catch-up contributions for ages 60–63

In **2026**, people ages **60 through 63** can make a higher catch-up contribution of **\$11,250** to workplace plans like 401(k), 403(b), and governmental 457(b), if their plan adopts the provision. The standard catch-up for age 50+ in 2026 is **\$8,000**.

### Employer matching into Roth

SECURE 2.0 allows plans to offer employees the option to have certain employer matching and nonelective contributions treated as **Roth**. That gives more flexibility for those who prefer after-tax contributions and potentially tax-free qualified withdrawals later.

### Qualified Charitable Distributions

The QCD limit is now indexed for inflation. For **2026**, the annual QCD limit is **\$111,000**. SECURE 2.0 also allows a one-time QCD to a split-interest gift structure, and that one-time limit is **\$55,000** in 2026.

### Automatic enrollment for new plans

For new 401(k) and 403(b) plans established after SECURE 2.0, automatic enrollment generally applies for plan years beginning in **2025**, starting at a default rate of at least **3%**, with automatic annual increases until it reaches at least **10%**.

### Emergency savings option inside retirement plans

Plans may add a pension-linked emergency savings account feature for eligible employees. Contributions are capped at **\$2,500** and the intent is to give people a practical emergency bucket without derailing retirement savings.

### Student loan "matching"

Starting with plan years beginning after **December 31, 2023**, employers can treat qualifying student loan payments as if they were deferrals for purposes of receiving a retirement plan match.

### 529 to Roth IRA rollovers

Beginning in **2024**, unused 529 funds may be rolled to a Roth IRA for the beneficiary if key rules are met, including the 529 being open at least **15 years**, a lifetime rollover cap of **\$35,000**, and rollovers staying within annual Roth contribution limits.

And because everyone's situation is different, this is general education, not tax or legal advice. If you want to see how these rules apply to you, we can walk through it in a one-on-one meeting and coordinate with the appropriate

professionals as needed.

<https://www.irs.gov/retirement-plans/retirement-plan-and-ira-required-minimum-distributions-faqs>

<https://www.irs.gov/retirement-plans/cola-increases-for-dollar-limitations-on-benefits-and-contributions>

<https://www.irs.gov/newsroom/secure-2-point-0-act-impacts-how-businesses-complete-forms-w-2>

<https://www.irs.gov/pub/irs-drop/n-25-67.pdf>

<https://www.federalregister.gov/documents/2025/01/14/2025-00501/automatic-enrollment-requirements-under-section-414a>

<https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/faqs/pension-linked-emergency-savings-accounts>

<https://www.irs.gov/pub/irs-drop/n-24-63.pdf>

<https://www.fidelity.com/learning-center/personal-finance/529-rollover-to-roth>



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## TOPIC 4

### *Sample Report showing your Benefit Options*

How to use a **Social Security Report**  
to help **Maximize your Benefits**

Before we move on, I just want to make sure there are no questions about any of the information we have covered so far. Let's look at a real sample report and find out how it works.



## Joe & Deborah M.

- Joe is 63 years old
  - Still working
  - SSI Benefit at FRA is \$2,175
  - Life Expectancy is 74.5
- Deborah is 61 years old
  - Still working
  - SSI Benefit at FRA is \$1,145
  - Life Expectancy is 80.2
  - They want a monthly income of \$5,400 from all sources.

## Case Study

This example is shown for illustrative purposes only.

<https://www.worlddata.info/life-expectancy.php>

*\*this is an example from a hypothetical client report in Plan Facts\**

Joe and Deborah are fictional clients only, and I'm just using them as an example here. Joe is 63 and is currently working. He plans to retire in the next few years, but hasn't decided exactly when to start his Social Security. He has a 401(k) at work and some additional money in a brokerage account.

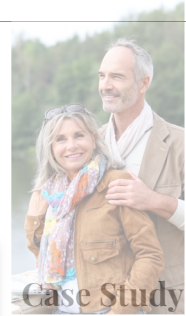
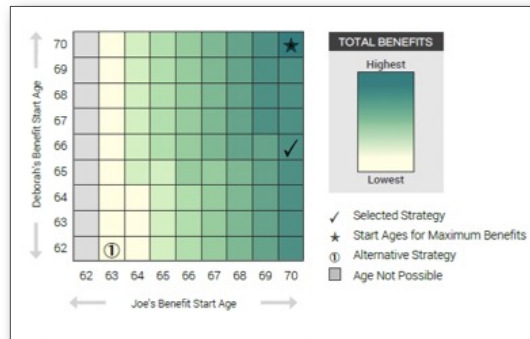
After looking on the SSA.gov website and pulling his statement we found his FRA benefit to be \$2,175. After a brief discussion regarding his family history and current health, we estimate his life expectancy to be approximately 85 years old.

Deborah is 61 years old; still working. Her FRA benefit is \$1,145. Her Life Expectancy is 92 years old.

They want to ensure an after-tax monthly income of \$5,400 per month from all sources.

## How can they maximize SSI benefits?

- **If they file immediately:**
  - No Special Filing Strategies
  - **Total Lifetime Benefits = \$1,226,568**
  
- **The Recommended Strategy:**
  - Joe files at Age 70
  - Deborah files at Age 66
  - **Total Lifetime Benefits = \$1,607,329**



This example is shown for illustrative purposes only.

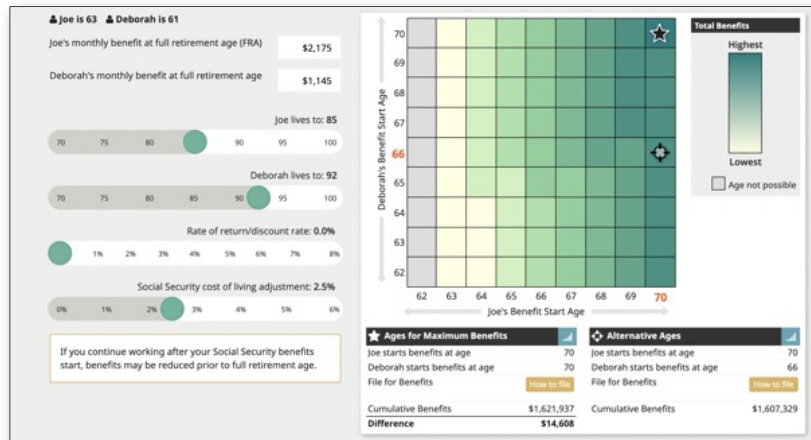
*\*chart is an example from a hypothetical client report in Plan Facts\**

The big question is 'How can they maximize their Social Security benefits' so that it fits with their RETIREMENT SAVINGS, their ANTICIPATED LONGEVITY, **and** THEIR APPETITE FOR RISK?

They can file immediately:

- No Special Filing Strategies
- File now: Total Lifetime Benefits through L/E = \$1,226,568
- They can both wait until their Age 70; total benefits = \$1,621,937
- Recommended Strategy is 70/66; total benefits = \$1,607,329.
- Still close to \$400,000 more income than if they were to file early

## Example:



This example is shown for illustrative purposes only.

*\*chart is an example from a hypothetical client report in Plan Facts\**

Using the Social Security Analyzer allows Joe & Deborah to look at several different scenarios. Working with their financial professional and tax advisor—and taking into consideration their RETIREMENT SAVINGS, their LIFE EXPECTANCY, and THEIR ANTICIPATED RETIREMENT AGES—they were able to settle on a strategy they felt worked best for them. That’s the Social Security Report.

## A Closer Look

- Increase in Lifetime Benefits:
  - \$353,577 more
  - or 28.8% more income

Blue: Social Security  
Red: Income Gap



This example is shown for illustrative purposes only.

*\*chart is an example from a hypothetical client report\**

**The SS Report** is the next step in the process. The BLUE bars show what Social Security is providing. What's in RED is the strategic use of all your other resources. We call that RED part your Income GAP between your Goal and what Social Security is going to provide (or Social Security + pensions).

The payout option chosen would provide them with total income provided of about \$350,000 better than the “collect early” option—28% more!

## A Closer Look

- **Increase in Lifetime Benefits:**
  - \$353,577 more
  - or 28.8% more income
  - Age 70/68: Gap ~ \$24,000
  - Age 85/83: Gap ~ \$53,000
  - Age -/91: Gap ~ \$62,000
- **Income Summary**
  - What is your Income Gap?
  - Steps to close the gap?

**INCOME SUMMARY: Before Planning**  
Prepared Exclusively For: Joe Deborah

Date Prepared		Year		Spouse's		Annual		Lifetime		Desired		Income		Income	
YEAR	Agas	Benefit	Benefit	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
2019	63/61	0	0	0	0	\$0	\$64,800	\$64,800	100.0%						
2020	64/62	0	0	0	0	\$0	\$66,420	\$66,420	100.0%						
2021	65/63	0	0	0	0	\$0	\$68,040	\$68,040	100.0%						
2022	66/64	0	0	0	0	\$0	\$69,780	\$69,780	100.0%						
2023	67/65	0	\$0	\$0	\$0	\$71,527	\$71,527	100.0%							
2024	68/66	0	\$3,885	\$3,885	\$3,885	\$73,315	\$69,430	94.7%							
2025	69/67	0	\$3,936	\$3,936	\$3,936	\$75,148	\$59,222	78.8%							
2026	70/68	\$16,784	\$16,784	\$16,784	\$53,116	\$72,937	\$77,027	\$23,911	33.0%						
2027	71/69	\$41,124	\$16,740	\$57,864	\$130,802	\$78,953	\$21,089	26.7%							
2028	72/70	\$42,156	\$17,160	\$59,316	\$190,117	\$80,926	\$21,630	26.7%							
2029	73/71	\$43,232	\$17,592	\$60,804	\$250,821	\$82,949	\$22,145	26.7%							
2030	74/72	\$44,292	\$18,024	\$62,316	\$311,237	\$85,023	\$22,707	26.7%							
2031	75/73	\$45,396	\$18,480	\$63,876	\$373,113	\$87,149	\$23,273	26.7%							
2032	76/74	\$46,536	\$18,936	\$65,472	\$436,285	\$89,328	\$23,856	26.7%							
2033	77/75	\$47,700	\$19,416	\$67,116	\$500,761	\$91,561	\$24,465	26.7%							
2034	78/76	\$48,888	\$19,896	\$68,784	\$576,485	\$93,850	\$25,066	26.7%							
2035	79/77	\$50,112	\$20,400	\$70,512	\$664,997	\$96,196	\$25,684	26.7%							
2036	80/78	\$51,360	\$20,904	\$72,264	\$771,261	\$98,601	\$26,327	26.7%							
2037	81/79	\$52,644	\$21,432	\$74,076	\$895,337	\$101,066	\$26,990	26.7%							
2038	82/80	\$53,964	\$21,960	\$75,924	\$1,041,261	\$103,593	\$27,669	26.7%							
2039	83/81	\$55,308	\$22,512	\$77,820	\$1,214,081	\$106,182	\$28,362	26.7%							
2040	84/82	\$56,700	\$23,076	\$79,776	\$1,418,817	\$108,837	\$29,061	26.7%							
2041	85/83	\$0	\$58,116	\$58,116	\$1,086,973	\$113,558	\$53,442	47.9%							
2042	86/84	\$0	\$59,568	\$59,568	\$1,146,541	\$114,347	\$54,779	47.9%							
2043	87/85	\$0	\$61,056	\$61,056	\$1,207,597	\$117,205	\$56,149	47.9%							
2044	88/86	\$0	\$62,580	\$62,580	\$1,270,177	\$120,136	\$57,556	47.9%							
2045	89/87	\$0	\$64,140	\$64,140	\$1,334,317	\$123,139	\$58,999	47.9%							
2046	90/88	\$0	\$65,748	\$65,748	\$1,400,065	\$126,217	\$60,469	47.9%							
2047	91/89	\$0	\$67,392	\$67,392	\$1,467,457	\$129,373	\$61,961	47.9%							
2048	92/90	\$0	\$69,072	\$69,072	\$1,536,529	\$132,607	\$63,535	47.9%							
2049	93/91	\$0	\$70,800	\$70,800	\$1,607,329	\$136,020	\$65,200	49.2%							



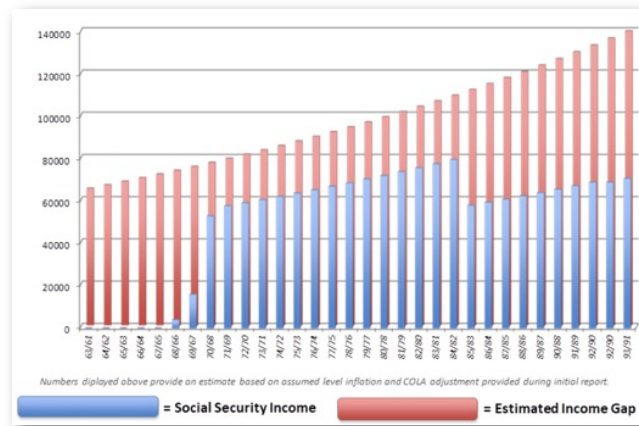
This example is shown for illustrative purposes only.

*\*chart is an example from a hypothetical client report\**

Your Social Security Report begins with the current year and continues all the way through Life Expectancy for both lives. At the first year where they are both collecting benefits (he's 70 and she's 68)—the income gap is just under \$24,000—that has to come from SAVINGS. Prior to that it will likely be a combination of EMPLOYMENT or SAVINGS and EMPLOYMENT or just SAVINGS.

Then at Joe's death at age 85, the Gap goes from a little over \$29,000 to around \$53,000—per year—and rising!

## Social Security vs. Desired Retirement Income



This example is shown for illustrative purposes only.

*\*graph is an example from a hypothetical client report\**

The big question most of us face is,

- “How will we bridge that income gap?”
- “How will we make certain we don’t ever run out of money in retirement?”
- “We saved over the course of our working careers, and hopefully, invested wisely during that time to build up a nest-egg. Once we get closer to, and into retirement, we need to be able to use that nest-egg...to use our money to create that sustainable income through our retirement years.”

One of the most important things we do with our clients is to help them make that transition by exploring solutions to help them protect and preserve what you've worked so hard to save.



## The Sequence of Returns

The Sequence of Returns may have less of an impact on the portfolio of a long-term investor who is no longer putting money in, nor is taking money out.

**However**, the relationship between an investor's rate of withdrawal and the Sequence of Returns can have a **dramatic** impact on a portfolio's ability to last during the withdrawal period (usually during retirement).

### Why the Sequence of Returns Matters

What I'm going to discuss as our final point today is way people typically address that income gap by tapping into the nest egg --- which is what it is there for. So while we are working, and socking it away – it grows – we hope, basically up and down, but over enough time, UP!

A strange anomaly exists – it doesn't matter if the market goes up then down, or down then up – so long as you don't withdrawal any money. But remember, this is retirement, we need to withdrawal the money to live! So let's take a look at this sequence of returns, and how it plays out.

## Factors Affecting Portfolio Results Before Retirement

- **The Accumulation Phase**
- Average Annualized Returns
- Asset Allocation
- Staying Invested
- **In This Example**
- **Annual Income Withdrawals:**
  - None
- **Starting Values (one-time lump sum)**
  - Portfolio A = **\$100,000**
  - Portfolio B = **\$100,000**
- **Value at Age 65:**
  - Portfolio A = **\$684,848**
  - Portfolio B = **\$684,848**

No Difference

AGE	ANNUAL RETURN (Portfolio A)	PORTFOLIO A (Year-End-Value)	ANNUAL RETURN (Portfolio B)	PORTFOLIO B (Year-End-Value)
41	-12%	\$87,695	29%	\$129,491
42	-21%	\$69,426	18%	\$152,281
43	-14%	\$59,707	25%	\$189,590
44	22%	\$72,984	-6%	\$178,404
45	10%	\$80,136	15%	\$204,272
46	4%	\$83,595	8%	\$221,183
47	11%	\$92,707	27%	\$281,124
48	3%	\$95,210	-2%	\$274,939
49	-3%	\$92,155	15%	\$315,355
50	21%	\$111,507	19%	\$375,272
51	17%	\$130,129	33%	\$498,737
52	5%	\$137,026	11%	\$554,097
53	-10%	\$123,597	-10%	\$499,795
54	11%	\$137,316	5%	\$526,284
55	33%	\$182,493	17%	\$614,174
56	19%	\$217,167	21%	\$743,150
57	15%	\$249,091	-3%	\$719,305
58	-2%	\$243,611	3%	\$738,726
59	27%	\$309,629	11%	\$819,247
60	8%	\$335,262	4%	\$854,602
61	15%	\$383,875	10%	\$938,354
62	-6%	\$361,226	22%	\$1,147,022
63	25%	\$449,727	-14%	\$986,439
64	18%	\$528,878	-21%	\$780,941
65	29%	\$684,848	-12%	\$684,848
	8%	\$684,848	8%	\$684,848

Example shown for illustrative purposes only and do not reflect any specific investment or product. Figures do not reflect investment fees or taxes.

*\*this chart is from an internal source\**

We invest \$100,000 in a typical investment in the market, and we let it go for 24 years. On this slide, the ONLY difference is the Sequence of the annual returns in their portfolio. Both Portfolios have starting values of \$100,000 (one-time lump sum), and both average the same 8% overall annual return, the series is just inverted.

It's weird, it's math, we love math!

Now let's look at the exact same scenario, but let's start taking 5% out each year, as we would expect to do during retirement.

If we start taking income from our nest egg during this series of market events, which is of course, something we have to do! It's called retirement income after all! Well, there is this massive difference in outcomes just depending on forces outside your control. What I mean is you do all the right things, you follow all the rules, you're no longer in control. The 4% or 5% rule states that if you stay in the market, and take just 4% of your principal or earnings every year as income, there is a 90% chance you will never run out of money. Sounds good. I'll take those odds right down to the track.

## Factors Affecting Portfolio Results Before Retirement

### The Accumulation Phase

- Sequence of Returns
- Product Allocation
- Portfolio Protection

### In This Example

- **Annual Income Withdrawals:**
  - 5% of first year value (*adjusted thereafter for inflation*)
- **Starting Values (one-time lump sum)**
  - Portfolio A = \$ \$684,848
  - Portfolio B = \$ \$684,848
- **Average Annual Return:**
  - Portfolio A = 8%
  - Portfolio B = 8%
- **Value at Age 65:**
  - Portfolio A = \$0
  - Portfolio B = \$ \$2,622,984

**BIG Difference**

AGE	ANNUAL RETURN (Portfolio A)	PORTFOLIO A (Year-End-Value)	ANNUAL RETURN (Portfolio B)	PORTFOLIO B (Year-End-Value)
66	-12%	\$566,337	29%	\$852,571
67	-21%	\$413,086	18%	\$967,355
68	-14%	\$318,927	25%	\$1,168,029
69	22%	\$352,432	-6%	\$1,061,698
70	10%	\$348,431	15%	\$1,177,105
71	4%	\$323,772	8%	\$1,234,855
72	11%	\$318,176	27%	\$1,528,614
73	3%	\$284,653	-2%	\$1,452,871
74	-3%	\$232,143	15%	\$1,823,066
75	21%	\$236,215	19%	\$1,886,771
76	17%	\$229,644	33%	\$2,461,500
77	5%	\$194,417	11%	\$2,687,327
78	-10%	\$126,543	-10%	\$2,375,148
79	11%	\$90,304	5%	\$2,450,746
80	33%	\$68,219	17%	\$2,808,226
81	19%	\$27,833	21%	\$3,344,606
82	15%	\$0	-3%	\$3,182,338
83	-2%	\$0	3%	\$3,211,664
84	27%	\$0	11%	\$3,503,440
85	8%	\$0	4%	\$3,594,592
86	15%	\$0	10%	\$3,895,017
87	-6%	\$0	22%	\$4,685,257
88	25%	\$0	-14%	\$3,963,710
89	18%	\$0	-21%	\$3,070,398
90	29%	\$0	-12%	\$2,622,984
	8%	\$0	8%	\$2,622,984

Example shown for illustrative purposes only and do not reflect any specific investment or product. Figures do not reflect investment fees or taxes.

*\*this chart is from an internal source\**

We set these up in this example to set 5% of the original deposit out, adjusted for inflation, and withdraw that money every year. You can see the huge difference between these portfolios.

Portfolio A had 3 bad years beginning and 3 great years at the end. That individual completely runs out of money. Portfolio B has 3 great years at the beginning, 3 terrible years at the end and has 2.6+M dollars in their 90s. They both averaged an 8% rate of return, both withdrew the same amount of money, and unfortunately, one of them completely ran out of money.

You don't want to be portfolio A. You want to have, and this is part of what we would do, and is such an important part of your retirement strategy, is balance. You want to have at least a portion of your assets that are protecting you, protecting your income, meaning it cannot go down if and when the market goes down.

That way you've got one portion of your assets that's protected so if the market drops you don't have to take money out of a bleeding account. You don't want to be selling off holdings when the market is down. That can quickly deplete retirement funds. So, if the market drops, you've got a protected place to withdraw money from so your essential expenses and your lifestyle doesn't change, or at least not

significantly.



Do you remember our Everest metaphor from earlier? Remember, most of the deaths occurred on the decent, not the climb up. Most financial professionals out there focus their practice on that ascent up the mountain, building the assets, creating the nest egg, the 90%. We focus on your oxygen levels, the 10%, while coming down the mountain. It's what we do. It's all we do.



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## 4 Questions people Often Ask

1. Why do you offer a complimentary Social Security and Retirement Income Strategy?
2. How do you get paid?
3. What if I'm not ready to retire?
4. What if I already have a financial professional?

1. Why do we offer a complimentary Social Security and Retirement Income Analysis? We offer them because it's important you have a strategy in place that takes into account your both Social Security **and** your retirement income needs. I've found this to be a very underserved area in retirement planning. Traditional financial professionals are usually focused on growth. Growth is important when you're younger, but as you get closer to and into retirement, your needs change. Preservation and distribution become more important.

2. How do we get paid?

Insurance Only Producer Answer: I earn commissions from product sales if you choose to place an account through me/us.

IAR Rep (Series 65) Answer: I earn commissions as well as financial planning fees or AUM fees, depending on what accounts or strategies we select.

3. What if I'm not ready to retire? Even if you're several years away from retirement, you've got to have a plan in place. It's what I tell all my clients. You don't want to wait until the day you retire to try to figure out if you have enough money to last the rest of your life.

4. What if I have an advisor I like? That's great. If you like them, you can keep them. They've probably done a decent job for you. But my focus is different than most advisors. I focus on preservation and distribution for clients who are near or in retirement. While traditional asset allocation models of stocks and bonds can work well for some, there can be a huge amount of risk clients don't realize they're taking....like in 2008. If you have a heart condition, do you go see a cardiologist or a neurologist? You see a cardiologist, of course because you want a specialist.



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## Our First Meeting

- What is going to happen?
- How long will it take – and what is the cost?
- What do I need to bring?
- What will the outcome be?

So let's talk about next steps. Today was the first step and I commend for taking it and being here. Hopefully, we've given you some new information to consider.

Step 2 would take place virtually or at our office if you decide to schedule a complimentary appointment with us. It will take about an 15 minutes. You should plan to bring your Social Security as well as your recent financial and retirement plan statements. The first appointment is about getting to know each other and understanding your goals, objectives and personal situation. We'll send you an email reminding you what to bring so we can do a good job for you.

What will be the outcome of that first meeting, well 1 of 3 things will happen...



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## 3 Possible Outcomes

1. We decide we want to work together and begin to discuss specific ideas and strategies.
  2. We believe there is a fit to work together but the time is not right and set a date to follow-up in the future
- OR
3. We decide there isn't a fit, and you will walk away with some great info, and we will part friends.

(read the outcomes on the slide)



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## 4 Questions to Consider

1. What specific plans have you made to ensure and maximize your income during retirement?
2. What would happen to your retirement plan if the stock market dropped 35% like it did in 2000 or 2008?
3. If you died this year, how would your family's lifestyle have to change after paying taxes to the IRS?
4. What plans have you and your spouse made for dealing with rising healthcare costs and declining health?

(read the questions on the slide)

# Let's Talk!

• Contact Info

Social Security Simplified and today's guest speaker(s) are not affiliated or endorsed by the Social Security Administration or any other governmental agency. We are a financial services firm that helps clients create retirement income strategies through the use of insurance and annuity products. We do not offer, and no statement made during this event, shall constitute tax, legal or social security planning advice. Always consult with qualified individuals concerning your own unique situation.

\*webinar final slide\*

Thank you for joining me today! I really appreciate you taking the time to learn more about social security with me. I'm here to help you with \_\_\_\_\_ (list some services or how you can help them).

\*\*\*you can also include a quick content summary to finish off the educational content\*\*\*

I will also be following up with each of you individually after the webinar to answer any questions you have and setup a complimentary appointment if you haven't already.

\*\*\*mention any incentives you are offering for those that setup an appointment with you\*\*\*

Thanks again and have a great rest of your day. Talk to you soon!



Thank  
you

- **Complimentary Appointment**

- Areas of Interest or Concern
- 2 Best times to Meet
- Sign up Before You Leave

\*in person final slide\*

Thank you for joining me today! I really appreciate you taking the time to learn more about social security with me. I'm here to help you with \_\_\_\_\_ (list some services or how you can help them).

\*\*\*you can also include a quick content summary to finish off the educational content\*\*\*

In your folder you will find an evaluation form that we would love to have you fill out. We will also come speak with each of you about scheduling your complimentary appointment with us.