



**Maximizing Social Security Income: Income Strategies for Married Couples**

Welcome to tonight's seminar, which is designed to discuss filing strategies for social security retirement income. The presentation will last 1 hour, and we will be offering each attendee a follow up meeting to review your retirement income needs, including how social security fits into your retirement income plan, as well as other financial products that are available to help you meet your income needs in retirement. We will also provide you with a customized report showing you various filing choices for your situation to help you maximize the amount of lifetime income you receive in social security.

When your parents retired, Social Security was much different. They went to their local office at age 65 or age 62 if they retired early, filed for benefits and that was it. Most people took their benefits for granted and didn't ask questions. We have found that in the age of information, the Baby Boomer generation has taken a very different approach and wants to make sure that not only will their benefits be available, but also that they receive the most possible income during their lifetime.

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## Notice to All Attendees

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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.

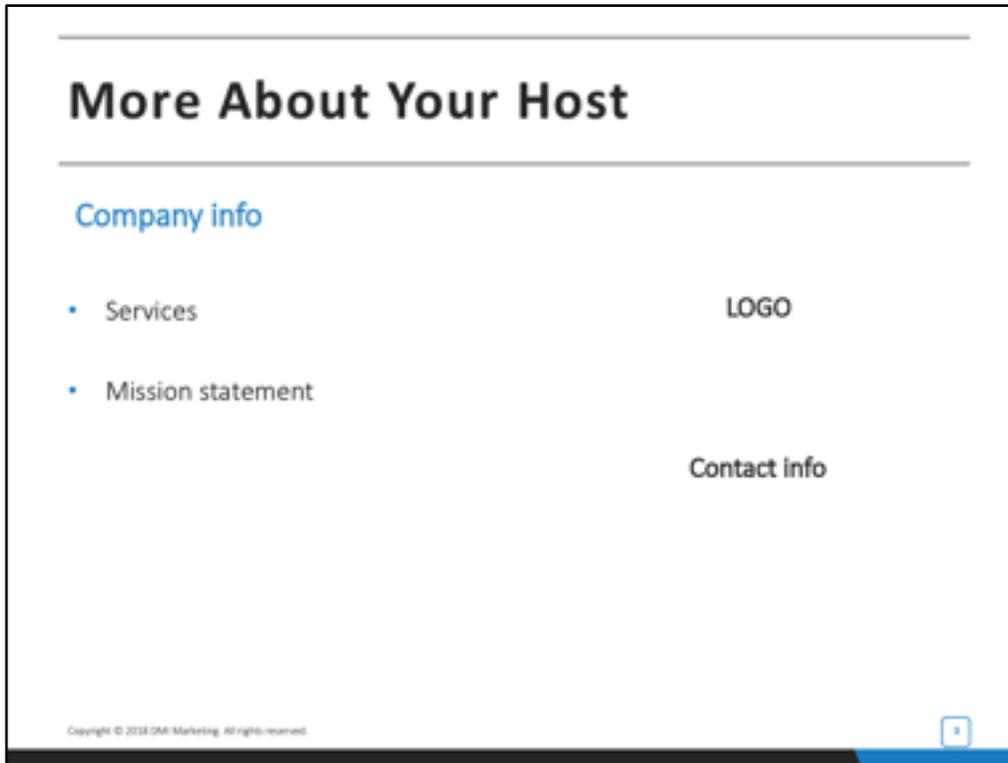
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### **Notice to All Attendees**

So that everyone attending tonight's seminar is aware, we are not affiliated with or endorsed by the social security administration or any other governmental agency. The strategies discussed tonight will be unique to each specific situation, and you need to carefully evaluate all of your options - including the tax considerations when deciding how and when to start receiving social security income. It is possible that this may be the first time you have heard about many of these strategies. We hope that tonight's brief overview will help show you what your options are so that you can see the importance of having a filing strategy in place.



### **About Your Speaker**

My name is (AGENT NAME) and I work with (COMPANY NAME). Our office is located at (STREET NAME) in (CITY) and as we have met with our clients to discuss their financial needs, and in particular where social security fits in their income plan, we have found that SSA employees are not always as informative as they could be. They are trained to answer questions but not to offer you any advice or specific information about your unique situation. There are often a lot of questions that go unanswered and as you will see tonight, establishing a filing strategy has never been more important. Our goal tonight is to help you know more about the options that are available to you prior to deciding when to start collecting benefits. That said, we are a for-profit company, and we make our living by providing our clients with insurance and income strategies to help fill the income needs that social security will not provide. Thank you again for coming tonight, let's take a look at what we will cover.

## Tonight's Agenda

Our presentation will last approximately 1 hour and will cover 4 main topics to help you better understand Social Security:

1. Understanding the Basics of Social Security Benefits
2. How to Plan for Social Security
3. Filing Strategies for Couples
4. Sample Report Showing your Benefit Options

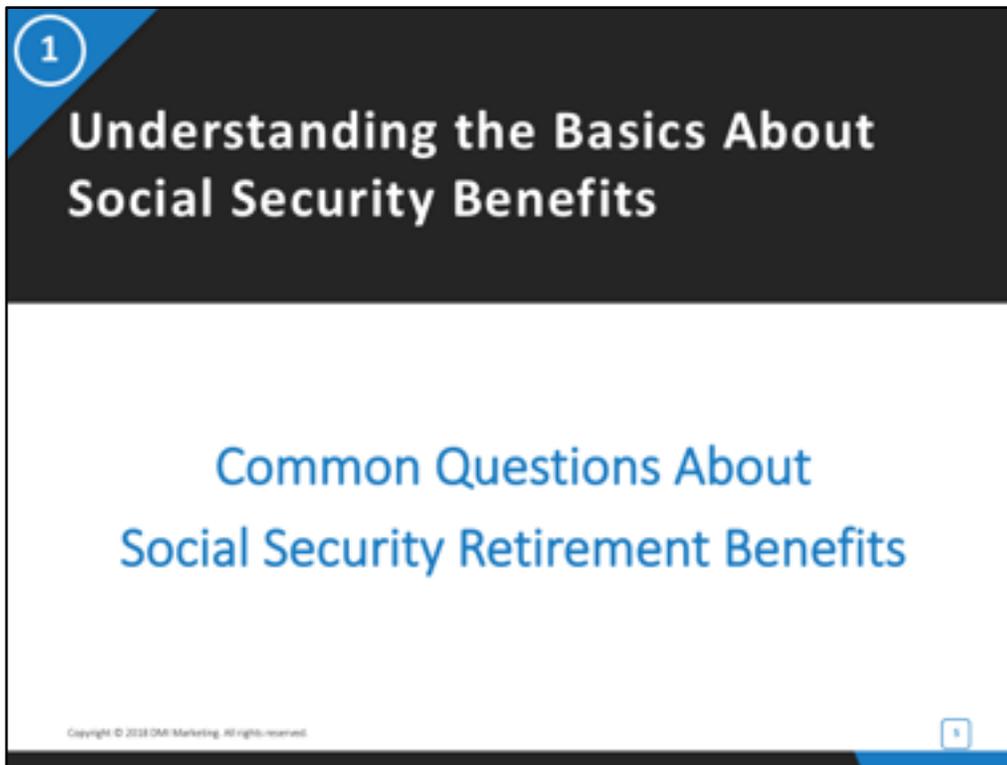
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### Tonight's Agenda

tonight we will cover 3 key topics to consider when you are planning for social security income:

1. First, we will review the basics of social security and help ensure we are more familiar with some of the terminology used when we discuss benefits. In addition, we will discuss the age requirements for filing, how benefits are calculated, and possible tax implications that may exist when you file.
2. 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.
3. Third, we will discuss why it is particularly important for married couples to plan before they file for benefits. Unique strategies are available for married couples that are not available for individuals and we will review those strategies in detail along with how they can provide potentially more lifetime income, by following some simple filing steps.
4. After covering these 3 main topics, we will review a sample report to see how this type of information could benefit you as you plan for your retirement income, by just sitting down with us for about an hour.



### **Social Security Basics**

The first topic tonight is Social Security Basics. This may be a refresher for a lot 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. We will go through a basic Q&A of the most common questions we receive from our existing clients regarding Social Security. We want to respect your time tonight and have a lot to cover in 60 minutes, so we will try to take a few questions as we go but because we want to respect everyone's privacy, we ask that any questions specific to your situation be held. We are happy to meet individually with each of you 1-1 to discuss your retirement income needs, including how social security fits into your income plan.

## When Can I File for Benefits?

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

**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.)

Year of Birth *	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

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### 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. You will hear us refer to Full Retirement Age as FRA for short and this is an important number to remember.

**Q: *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 folks, 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. In our example later on, you'll see what I mean by this.

## How Are My Benefits Calculated?

- Earnings History



- Primary Insurance Amount – FRA Benefit

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### How are My Benefits Calculated

Calculating your FRA 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 SSA will use your top 35 years of work history. These earnings will then be adjusted for inflation to determine your AIME. AIME stands for “Average Monthly Indexed Earnings”. There is then a tiered calculation ranging from 15%-90% to determine your Primary Insurance Amount or PIA.

**Q: *Anyone Confused at All?*** Me 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.

# How Are My Benefits Calculated?

- 2018 PIA Formula
- 3 “Bend Points”
  - 90% of First \$895
  - + 32% of \$895 - \$5,397
  - + 15% Amt. Over \$5,397
- Primary Insurance Amount



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## How are My Benefits Calculated

Calculating your FRA 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 SSA will use your top 35 years of work history. These earnings will then be adjusted for inflation to determine your AIME. AIME stands for “Average Monthly Indexed Earnings”. There is then a tiered calculation ranging from 15%-90% to determine your Primary Insurance Amount or PIA.

**Q: *Anyone Confused at All?*** Me 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.

## How Does COLA Impact Benefits?

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

### COLA Averages

- 1975-2017
  - 3.75% Per Year
- 1990-2017
  - 2.41% Per Year

Social Security Cost-Of-Living Adjustments

Year	COLA	Year	COLA	Year	COLA
1975	8.0	1990	5.4	2005	4.1
1976	6.4	1991	3.7	2006	3.3
1977	5.9	1992	3.0	2007	2.3
1978	6.5	1993	2.6	2008	5.8
1979	8.9	1994	2.8	2009	0.0
1980	14.3	1995	2.6	2010	0.0
1981	11.2	1996	2.9	2011	3.8
1982	7.4	1997	2.1	2012	1.7
1983	3.5	1998	1.3	2013	1.5
1984	3.5	1999*	2.5	2014	1.7
1985	3.1	2000	3.5	2015	0.0
1986	1.3	2001	2.6	2016	0.3
1987	4.2	2002	1.4	2017	2.0
1988	4.0	2003	2.1		
1989	4.7	2004	2.7		

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### How Does COLA Impact Benefits?

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.

*(Before You Click the Next Bullet Points)*

**Q: Does anyone know what the average COLA adjustment has been since 1975?**

**Almost 4.0%** per year has been the average increase in benefits.

**Q: What about from 1990-2015?** As you can guess, interest rates and inflation has been lower so the rate is less, averaging 2.5%. 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.

## Cost-Of-Living Adjustments

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

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## How Does COLA Impact Benefits?

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

### COLA Example

- Starting Income
  - \$2,000/month
  - Starting in 1990
- Ending Income
  - \$3,804/month
  - Ending in 2017

Year	COLA	Year	COLA	Year	COLA
1975	8.0	1990	5.4	2005	4.1
1976	6.4	1991	3.7	2006	3.3
1977	5.9	1992	3.0	2007	2.3
1978	6.5	1993	2.8	2008	5.8
1979	9.9	1994	2.8	2009	0.0
1980	14.3	1995	2.6	2010	0.0
1981	11.2	1996	2.9	2011	3.8
1982	7.4	1997	2.1	2012	1.7
1983	3.5	1998	1.3	2013	1.5
1984	3.5	1999	2.5	2014	1.7
1985	3.1	2000	3.5	2015	0.0
1986	1.3	2001	2.8	2016	0.2
1987	4.2	2002	1.4	2017	2.0
1988	4.0	2003	2.1		
1989	4.7	2004	2.7		

Income in 1990 = \$2,000

Income in 2017 = \$3,804

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

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### How Does COLA Impact Benefits?

Let’s see how COLA could have worked in this example, assuming you retired in 1990 and your initial Social Security Benefits was \$2,000 per month. As you can see, each year your income is adjusted for Cost of Living. With the exception of 2009-2010, there was an increase of between 1.8% and 5.8% each year as determined by the CPI-W (the consumer price index for urban wage earners and clerical works). This amount will vary each year, but the average during this period was 2.7%, as we discussed on the last slide. As you can see in this example, even though the amount started at \$2,000 per month in 1990, you would have been receiving \$3,656 per month at the end of 2013.

We will come back to COLA when we discuss the importance of “Timing Your Benefits” and choosing the right strategy for married couples, but I want to raise an important question here. While your social security benefits have an inflation protection feature, will the rest of your retirement income also be protected against it?

That’s a question to consider very closely because if your retirement income is not keeping up with inflation, it’s costing you money year after year.

## COLA Example

Year	COLA	Year	COLA	Year	COLA
1990	\$2,000	2000	\$2,610	2010	\$3,305
1991	\$2,074	2001	\$2,678	2011	\$3,423
1992	\$2,136	2002	\$2,715	2012	\$3,482
1993	\$2,192	2003	\$2,772	2013	\$3,656
1994	\$2,253	2004	\$2,847	2014	\$3,718
1995	\$2,312	2005	\$2,964	2015	\$3,718
1996	\$2,379	2006	\$3,062	2016	\$3,729
1997	\$2,429	2007	\$3,132	2017	\$3,804
1998	\$2,460	2008	\$3,305		
1999	\$2,522	2009	\$3,305		

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## Can I Work & Collect Benefits?

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

### 2017 Numbers

- Before FRA (62-65)
  - Exempt Amount \$17,040
  - \$1 Reduction/\$2 Income
- During FRA (66)
  - Exempt Amount \$45,360
  - \$1 Reduction/\$3 Income
  - Monthly Offset

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### **Can I Work & Collect Benefits?**

In addition to Social Security Benefits being taxable if you make over a specific income amount, it is important to remember the penalty you may incur if you continue to work and file for benefits before reaching your Full Retirement Age (FRA). For 2017, if you are collecting Social Security Benefits you will only be able to make an income of \$17,040 before being penalized. It is important to remember that for income purposes, we are only talking about W-2 earnings or 1099 earnings if you are self employed. Income from pensions, annuities and investments is not included for purposes of calculating the penalty. For every \$2 in income you earn per year above \$17,040 from ages 62-65, you will have to pay back \$1 in Social Security Benefit. This is in addition to any tax you may have to pay at the end of the year on your benefits. During the year you reach your Full Retirement Age (FRA), the Exempt Amount amount becomes \$45,360 and you have to pay back \$1 in benefit for every \$3 in income.

## Example

### Earnings Penalty Age 65 (Before FRA)

Earned Income = \$50,000

Earnings Test = \$17,040

PENALTY BASIS = \$32,960

Social Security Penalty  
\$16,480

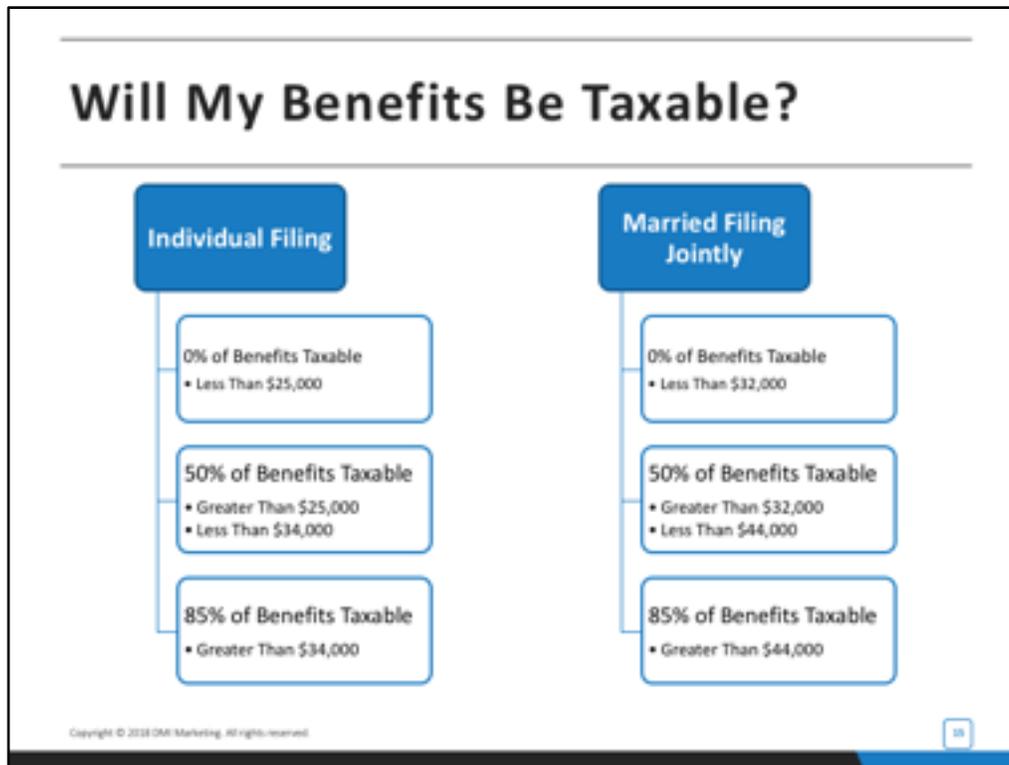
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Let's Look at an Example:

If you are 65 and decide to collect Social Security Benefits while still working and make \$50,000 per year, after subtracting the Exempt Amount of \$17,040 our penalty basis becomes \$32,960. We have to pay back \$1 for every \$2 of income so our penalty for the year would be \$16,480. As you can see, it is very important to consult an accountant prior to collecting Social Security, especially if you plan to collect before reaching Full Retirement Age (FRA).



### Will My Benefits Be Taxable?

Now that we know how benefits are calculated and adjusted for Cost of Living, the next most common question we receive is “Will My Benefits Be Taxable?” We wanted to spend a few minutes tonight discussing how your benefits become taxable for individuals and also for Married Filing Jointly.

For individuals, your Social Security does not become taxable until your “Provisional Income” reaches more than \$25,000. Provisional Income includes half of your Social Security, along with adjusted gross income from your tax return and any tax exempt interest. This is particularly important if you have “Tax Free Bonds”. Although the interest may not be taxable on your tax return, it is considered a countable source of income for Social Security Purposes. When your provisional income is between \$25,000 and \$34,000, 50% of your Social Security Income becomes taxable. If provisional income is over \$34,000, 85% of your Social Security becomes subject to tax.

For married couple filing jointly, the numbers change slightly. There is no tax on benefits until your provisional income is over \$32,000. The taxes are 50% on amounts between \$32,000 and \$44,000. Benefits become 85% taxable when you file jointly and make greater than \$44,000 in provisional income.

\*One special note, if you are married and live together but file separately 85% of your benefits will be taxable regardless of how much provisional income you earn.



### **About The Social Security Process**

In the 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 a little more about break even analysis.

## What to Consider When Planning?



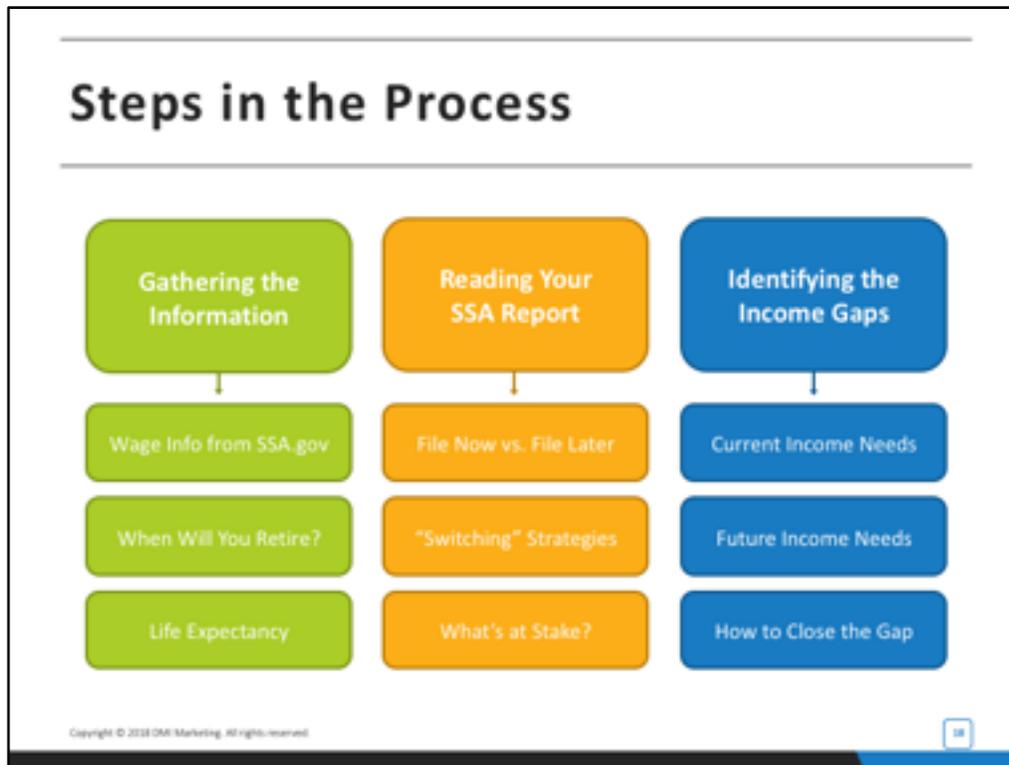
- Your Complete Wage History
- Desired Retirement Age
- Estimated Life Expectancy
- Inflation & COLA
- Other Sources of Income
  - Qualified Accounts
  - Non-Qualified Accounts

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### What to Consider When Planning?

There are several key components to consider when planning for Social Security. The first is your complete work history, which will provide the AIME calculation that we discussed earlier. You will want to make sure this history is accurate and contact SSA if there are any errors. Second is your desired retirement age. This is important because after we maximize Social Security using the strategies we will discuss in a few minutes, you may have to adjust where you pull retirement funds from before your Social Security starts to pay. It is important to remember that the age you retire does not always have to match the age you start Social Security. The next steps are looking at your “Shelf Life”, how long do you expect to live. This is part of your consultation, we will discuss your family history and use our calculator to help you determine your estimated life expectancy. For better or worse guys, the ladies usually have us beat on this one! We already discussed inflation and COLA, generally we use 3% as an average COLA to be conservative, but we can adjust this up or down based on your specific concerns. Finally, you will want to look at your other assets to determine how to fill the income gaps that Social Security won’t provide. Some of you may still be lucky enough to have a Pension that will help fill those gaps, while others might be responsible to creating their own income stream from a 401(k), IRA or savings/brokerage accounts. Social Security is the first step, but in order to maximize your Social Security Income it is important to consider other sources of income as well. Lets take a closer look at how it works...



### Steps in the Process

1. First we have to gather all the information we will need to prepare your report. You can find your wage info and benefit statements on SSA.gov. Next, you will decide what age you want to retire, again this may not be the same age as you take your Social Security. Finally, what is your "Shelf Life", or life expectancy. This will give us the initial information needed to start preparing your report.
2. After your 1 hour consultation, you will receive your report showing the difference between filing now and filing later. The report also explains the different strategies available specifically for married couples, known as switching strategies. Finally, you will see what could happen if you don't incorporate some level of Social Security Planning.
3. From this report and examining your current income needs, we will also provide a supplemental report that will show you the difference between what Social Security will provide and what you will need to keep your standard of living throughout retirement. For some, Social Security will provide adequate income to satisfy all their future income needs. For most, you will need to take it a step further and look at your pension, 401(k), IRA or other accounts to put together an overall income plan. This supplemental report will help you identify where the gaps exist.

## Finding Your Benefit Information

- Social Security Website
- [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount)
  - Create Account
  - Research Earnings
  - View Benefits
  - Sample Statements



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### Finding Your Benefit Information

As we have discussed the planning process it is important to become familiar with where to find your information.

**Q: *Has anyone in here seen their statement online on SSA.gov?*** Great! For those who haven't, this is also part of our consultation, we will walk you through where to go to find your statement and how to read the statement. There is a great resource available online to help you become more familiar with all the terminology we have discussed today.

## Longer Wait = More Benefits?

- Full Retirement Age
  - Benefit \$2,000/mo.
  - \$24,000/yr.
- Minimum Age – 62
  - Benefit \$1,500/mo.
  - \$18,000/yr.
- Maximum Age – 70
  - Benefit \$2,640/mo.
  - \$31,680/yr.

Based on \$2,000 Benefit

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

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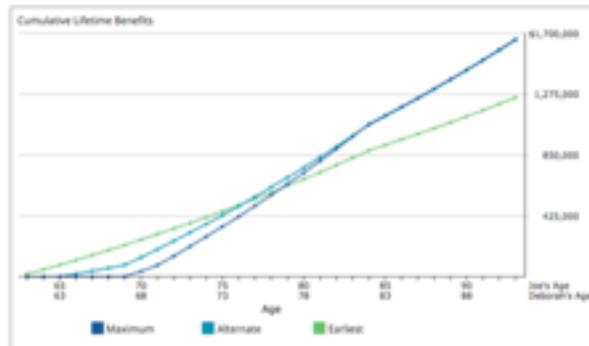
### Longer Wait Equals More Benefits?

We have discussed the basics of when you are eligible for benefits and when you have reached full retirement age (FRA). Again, for most everyone here tonight, your FRA will likely be age 66. This simply means you will receive 100% of your Primary Insurance Amount. In this example, the benefit at FRA is \$2,000 per month or \$24,000 per year. If you started benefits at age 62, you would only receive \$1,500 per month or \$18,000 per year. This is referred to as an actuarial reduction, basically meaning that you will receive benefits longer so your benefit amount will start at a decreased amount. At age 62, you will only receive 75% of your FRA benefit. On the other hand, if you wait until age 70 to start your benefits, your monthly benefit amount will increase by 8% each year you wait until you reach age 70, and you would then get 132% of your FRA benefit. Where this really starts to hit home is when the income starts becoming adjusted. Does everyone remember COLA? Would you rather have COLA on \$1,500 or \$2,640? Depending on your life expectancy and other assets, it can make a lot of sense for many to delay benefits as long as possible. We will come back to this in a minute, but first I want to spend a minute on Break Even Analysis.

***Q: Has anyone ever had an accountant, financial advisor or even a friend tell them that you should file for benefits as soon as possible because it takes so long to break even that you might as well have the money now?***

## What is Break-Even Analysis?

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



This example shows Age 62, Age 66 and Age 70.

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### What is Break-Even Analysis

A common social security planning strategy is called Break-Even Analysis. The argument has been made that it is always better to start benefits early because by the time you break even, you will be too old for the effect to make a difference. The benefit is you may be able to retire earlier while you can still enjoy the money. Sounds great, and it may be for some, especially if you are not married. As an individual, you may decide this strategy makes perfect sense and as long as you know what you are giving up in future income, it may be a viable option. Where break even breaks down is when you are married and that is why tonight's program is designed specifically for married couples. The strategies we will discuss for married couples, also known as switching strategies, take the process beyond break even and will show you what could happen if you use these strategies.



### **Strategies for Married Couples**

Now that we all have a good grasp on how the basics and how the process works, I want to talk more about the specific filing strategies available for married couples that are not available for single individuals. First, I want to review the general rules regarding spousal benefits because it's important we understand how they work before we move on to more specific filing strategies. I also want to discuss 2 very important changes that were recently made to the Social Security rules.

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## Requirements For Spousal Benefits

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- The spouse must be married to worker for at least one continuous year before applying for benefits.
- The spouse must have turned 62 by Dec. 31, 2015
- The worker must be entitled to benefits and have filed for benefits.
- If spouse files for benefits at FRA, their benefit will be 50% of their spouse's PIA. If they apply at age 62, their benefit will be 35% of their PIA.

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Spousal benefits are a very important area of Social Security planning, and they are often either misunderstood or just plain ignored. And mistakes regarding spousal benefits can be quite costly to you and your spouse in terms of forgone lifetime Social Security income.

A spousal benefit allows you to receive Social Security income based on your spouse's earnings record, not your own. It was originally designed to provide a level of income protection to non-working spouses. When Social Security was first introduced, most of those non-working spouses were women. Now we know that's changed over the years as more and more women had their own careers.

Here are the general rules...(review bullets 1 -3). Let's pause on bullet #2 for just a minute because Social Security recently changed this part of the rules. Previously, there wasn't a deadline for being able to use spousal benefits. Now there is. If you didn't turn age 62 by the end of 2015, you can't use them anymore. If you did, you're automatically grandfathered under the old rules.

Now, the fourth point is where it gets very interesting, and a bit more complicated.

How much you can receive in spousal benefits depends several key factors:

First, is what your spouse's own full retirement benefit is. How much they'll receive goes into determining how much your spousal benefit will be.

Second, is when you elect to take your spousal benefit. If you wait until full retirement age, it could be 50% of your spouse's FRA benefit. If you take it before your FRA, you'll get a percentage reduction down to only 35% of your spouse's FRA benefit.

There are other factors to consider, but that's a general overview of how they work.

Now, let's look again at the slide that shows the percentage of benefits you will receive at specific ages.

## No Special Filing Strategies

- Both Spouses File For Benefits (Ages 62-70)
- No “Switching” Strategies
- Age to Start Benefits
  - Full Retirement Age 100%
  - Less Than FRA (~Ages 62-65)
    - Actuarial Benefit Reduction
  - Older Than FRA (~Age 67-70)
    - Delayed Retirement Credits

Based on \$2,000 Benefit

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

This example is shown for illustrative purposes only.

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### No Special Filing Strategies

Assuming both spouses just filed at a specific age, with no special strategies, we know that most of us here tonight will have to wait until age 66 to receive our full retirement benefit, in this case \$2,000 per month. If we take benefits early, we will receive as little as 75% of the FRA benefit and if we wait until age 70 and our benefit will increase by 8% each year and up to 132% of our FRA benefit.

***Q: This is very important to remember as we move forward, are there any questions on how this works before we move on?***

## Filing Restricted Application

- File for benefits at FRA
- Payments are Restricted
  - Amount based on the remaining spouse's benefit
  - Delayed Retirement Credits
  - Benefit increases by 8% each year until age 70
  - 132% of FRA Benefit at Age 70
- 1st Spouse Must File for 2nd to be Eligible for Restricted Filing



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### Filing a Restricted Application

Filing a restricted application at Full Retirement Age will allow a second spouse to receive spousal benefits on the first spouse, regardless of whether or not the first spouse is receiving benefits. As in the previous slide and what is often the case is that the first spouse files at age 66 but doesn't start benefits until age 70, so they are able to receive the delayed retirements credits each year. However, the second spouse can still receive the same credits and collect the spousal benefit at the same time. In this example, the second spouse would receive \$1,000 per month the first year and COLA adjustments each year until she reaches age 70 and switches to her benefit. This may sound confusing, so we will walk through an actual example in just a minute.

Remember, as I said a few minutes ago on a prior slide, in order to use this strategy, you must have turned 62 by the end of 2015. If you did, your grandfathered under the

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## Combining Strategies – Summary

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Let's assume we have a married couple:

9 Years Where the Husband Can File – Age 62 to Age 70

9 Years Where the Wife Can File – Age 62 to Age 70

X 3 Different Filing Strategies

243 Different Annual Filing Combinations

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### **Combining Strategies**

Not including each unique month and year combination available, there are 9 years and 3 possible strategies that can be used by a married couple find the best way to maximize Social Security Benefits. This makes almost 250 different annual combinations.

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## Everyone's Situation is Different

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### **Everyone's Situation is Different**

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 tonight, we are offering a complimentary one hour meeting for everyone who has attended tonight where we will sit down with you and prepare your customized report at no charge.



### **Actual Sample Report**

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...

**CASE STUDY:**



**Joe & Deborah M.**

- Joe is 63 years old
  - SSI Benefit at FRA is \$2,175
  - Life Expectancy is 85 years
- Deborah is 61 Years Old
  - SSI Benefit at FRA is \$1,145
  - Life Expectancy is 92 Years
- They want a Monthly Income of \$5,400 from all sources

This example is shown for illustrative purposes only.

**Case Study: Joe & Deborah M.**

In your folder, you will find the information that we will discuss in the next few slides. You are welcome to view the reports as we go through the slides, but everything you need will also be on the screen as we go forward. 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.

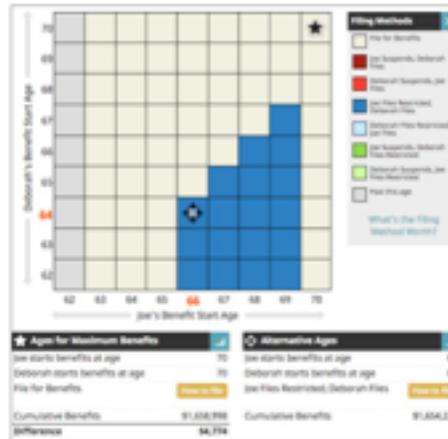
## CASE STUDY: Joe & Deborah M.

### How can they maximize SSI benefits?

- If they file immediately...
  - No Special Filing Strategies
  - Total Lifetime Benefits \$1,253,752
- The recommended strategy...
  - Joe Files Restricted, Deborah Files
  - Total Lifetime Benefits \$1,654,224

This example is shown for illustrative purposes only.

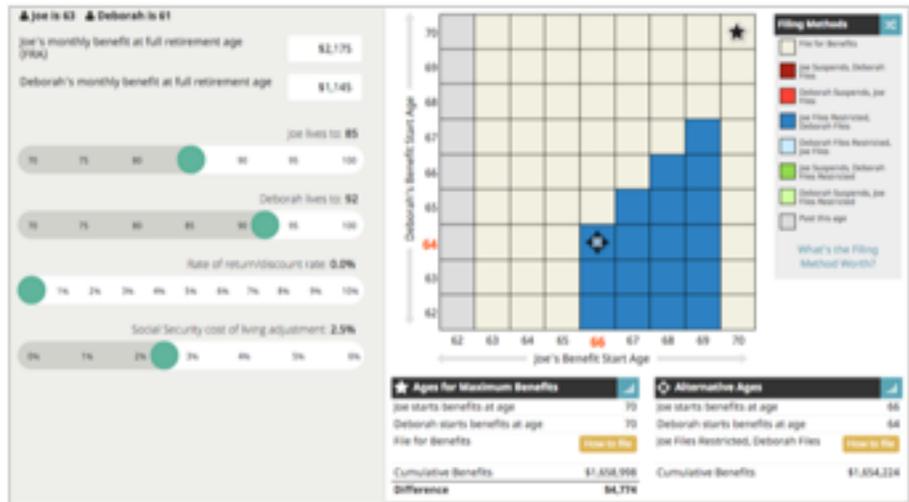
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### Case Study: Joe & Deborah M.

First, we look at what happens if they file immediately and don't use any of the special filing strategies that are available to married couples. Joe can start taking benefits right away, but Deborah will have to wait until next year when she is 62. We find that they will receive approximately \$1.2 million in lifetime benefits. They think that number sounds good until we look at other filing strategies available to them...

# Example



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## Case Study: Joe & Deborah M.

After Joe and Deborah review the filing strategies available to them, they decide to use one that incorporates spousal benefits. Deborah will file for benefits when she turns 64. Joe will file for spousal benefits when he is 66 and receive half of Deborah's full retirement age benefit amount. Joe's benefit will continue to increase by 8% each year in delayed retirement credits until he turns 70. When Joe turns 70, he will switch over to his own benefits. Assuming that Joe and Deborah live to ages 85 and 92, as assumed, this strategy could provide over \$1.8 million in lifetime social security benefits.

## CASE STUDY: Joe & Deborah M.

### Take a Closer Look...

- Increase in Lifetime Benefits
  - \$400,522 or 32% More Income



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### Case Study: Joe & Deborah M.

Just by sitting down for about an hour, we were able to review Joe and Deborah's filing options and how they could potentially receive as much as 30% more benefit just by understanding and evaluating all of their options. Now everyone's situation is different and your total benefit amount may not be this high, but the important thing here is for you to understand your options. Once you know what you can expect from social security, you may recognize that it may not pay for everything so we can then show you how to plan for income from your other retirement plans and accounts. For example, let's take a look at how much Joe and Deborah will need to come up with to retire comfortably.

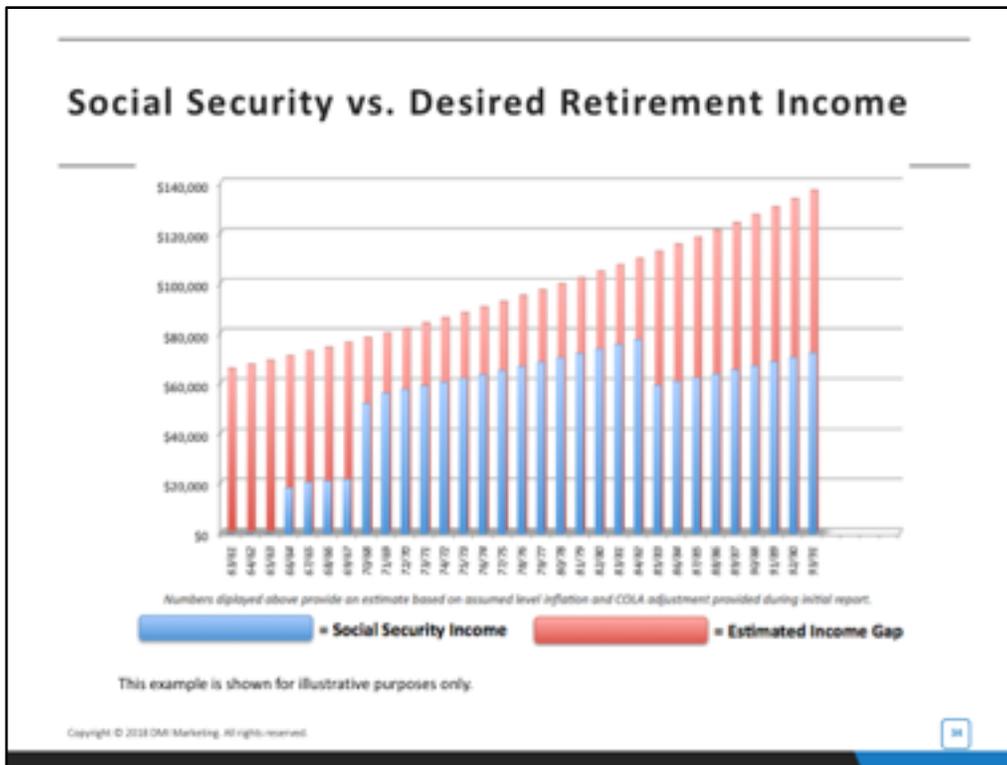
# CASE STUDY: Joe & Deborah M.

## Take a Closer Look...

- Increase in Lifetime Benefits
  - \$400,522 or 32% More Income
- Income Summary
  - How Much Will SSI Pay
  - What is Your Income Gap?
  - Steps to Close the Gaps

**INCOME SUMMARY: Before Planning**  
 Proposed Exclusively For: Joe & Deborah

Year	Joe Proposed 2020-25				Deborah Proposed 2020-25				Total	Income Gap	Income Gap %
	Year	Income	SSA	Medicare	Year	Income	SSA	Medicare			
1	2020	0	0	0	0	0	0	0	0	0	0%
2	2021	0	0	0	0	0	0	0	0	0	0%
3	2022	0	0	0	0	0	0	0	0	0	0%
4	2023	0	0	0	0	0	0	0	0	0	0%
5	2024	0	0	0	0	0	0	0	0	0	0%
6	2025	0	0	0	0	0	0	0	0	0	0%
7	2026	0	0	0	0	0	0	0	0	0	0%
8	2027	0	0	0	0	0	0	0	0	0	0%
9	2028	0	0	0	0	0	0	0	0	0	0%
10	2029	0	0	0	0	0	0	0	0	0	0%
11	2030	0	0	0	0	0	0	0	0	0	0%
12	2031	0	0	0	0	0	0	0	0	0	0%
13	2032	0	0	0	0	0	0	0	0	0	0%
14	2033	0	0	0	0	0	0	0	0	0	0%
15	2034	0	0	0	0	0	0	0	0	0	0%
16	2035	0	0	0	0	0	0	0	0	0	0%
17	2036	0	0	0	0	0	0	0	0	0	0%
18	2037	0	0	0	0	0	0	0	0	0	0%
19	2038	0	0	0	0	0	0	0	0	0	0%
20	2039	0	0	0	0	0	0	0	0	0	0%
21	2040	0	0	0	0	0	0	0	0	0	0%
22	2041	0	0	0	0	0	0	0	0	0	0%
23	2042	0	0	0	0	0	0	0	0	0	0%
24	2043	0	0	0	0	0	0	0	0	0	0%
25	2044	0	0	0	0	0	0	0	0	0	0%
26	2045	0	0	0	0	0	0	0	0	0	0%
27	2046	0	0	0	0	0	0	0	0	0	0%
28	2047	0	0	0	0	0	0	0	0	0	0%
29	2048	0	0	0	0	0	0	0	0	0	0%
30	2049	0	0	0	0	0	0	0	0	0	0%
31	2050	0	0	0	0	0	0	0	0	0	0%
32	2051	0	0	0	0	0	0	0	0	0	0%
33	2052	0	0	0	0	0	0	0	0	0	0%
34	2053	0	0	0	0	0	0	0	0	0	0%
35	2054	0	0	0	0	0	0	0	0	0	0%
36	2055	0	0	0	0	0	0	0	0	0	0%
37	2056	0	0	0	0	0	0	0	0	0	0%
38	2057	0	0	0	0	0	0	0	0	0	0%
39	2058	0	0	0	0	0	0	0	0	0	0%
40	2059	0	0	0	0	0	0	0	0	0	0%
41	2060	0	0	0	0	0	0	0	0	0	0%
42	2061	0	0	0	0	0	0	0	0	0	0%
43	2062	0	0	0	0	0	0	0	0	0	0%
44	2063	0	0	0	0	0	0	0	0	0	0%
45	2064	0	0	0	0	0	0	0	0	0	0%
46	2065	0	0	0	0	0	0	0	0	0	0%
47	2066	0	0	0	0	0	0	0	0	0	0%
48	2067	0	0	0	0	0	0	0	0	0	0%
49	2068	0	0	0	0	0	0	0	0	0	0%
50	2069	0	0	0	0	0	0	0	0	0	0%
51	2070	0	0	0	0	0	0	0	0	0	0%
52	2071	0	0	0	0	0	0	0	0	0	0%
53	2072	0	0	0	0	0	0	0	0	0	0%
54	2073	0	0	0	0	0	0	0	0	0	0%
55	2074	0	0	0	0	0	0	0	0	0	0%
56	2075	0	0	0	0	0	0	0	0	0	0%
57	2076	0	0	0	0	0	0	0	0	0	0%
58	2077	0	0	0	0	0	0	0	0	0	0%
59	2078	0	0	0	0	0	0	0	0	0	0%
60	2079	0	0	0	0	0	0	0	0	0	0%
61	2080	0	0	0	0	0	0	0	0	0	0%
62	2081	0	0	0	0	0	0	0	0	0	0%
63	2082	0	0	0	0	0	0	0	0	0	0%
64	2083	0	0	0	0	0	0	0	0	0	0%
65	2084	0	0	0	0	0	0	0	0	0	0%
66	2085	0	0	0	0	0	0	0	0	0	0%
67	2086	0	0	0	0	0	0	0	0	0	0%
68	2087	0	0	0	0	0	0	0	0	0	0%
69	2088	0	0	0	0	0	0	0	0	0	0%
70	2089	0	0	0	0	0	0	0	0	0	0%
71	2090	0	0	0	0	0	0	0	0	0	0%
72	2091	0	0	0	0	0	0	0	0	0	0%
73	2092	0	0	0	0	0	0	0	0	0	0%
74	2093	0	0	0	0	0	0	0	0	0	0%
75	2094	0	0	0	0	0	0	0	0	0	0%
76	2095	0	0	0	0	0	0	0	0	0	0%
77	2096	0	0	0	0	0	0	0	0	0	0%
78	2097	0	0	0	0	0	0	0	0	0	0%
79	2098	0	0	0	0	0	0	0	0	0	0%
80	2099	0	0	0	0	0	0	0	0	0	0%
81	2100	0	0	0	0	0	0	0	0	0	0%
82	2101	0	0	0	0	0	0	0	0	0	0%
83	2102	0	0	0	0	0	0	0	0	0	0%
84	2103	0	0	0	0	0	0	0	0	0	0%
85	2104	0	0	0	0	0	0	0	0	0	0%
86	2105	0	0	0	0	0	0	0	0	0	0%
87	2106	0	0	0	0	0	0	0	0	0	0%
88	2107	0	0	0	0	0	0	0	0	0	0%
89	2108	0	0	0	0	0	0	0	0	0	0%
90	2109	0	0	0	0	0	0	0	0	0	0%
91	2110	0	0	0	0	0	0	0	0	0	0%
92	2111	0	0	0	0	0	0	0	0	0	0%
93	2112	0	0	0	0	0	0	0	0	0	0%
94	2113	0	0	0	0	0	0	0	0	0	0%
95	2114	0	0	0	0	0	0	0	0	0	0%
96	2115	0	0	0	0	0	0	0	0	0	0%
97	2116	0	0	0	0	0	0	0	0	0	0%
98	2117	0	0	0	0	0	0	0	0	0	0%
99	2118	0	0	0	0	0	0	0	0	0	0%
100	2119	0	0	0	0	0	0	0	0	0	0%
101	2120	0	0	0	0	0	0	0	0	0	0%
102	2121	0	0	0	0	0	0	0	0	0	0%
103	2122	0	0	0	0	0	0	0	0	0	0%
104	2123	0	0	0	0	0	0	0	0	0	0%
105	2124	0	0	0	0	0	0	0	0	0	0%
106	2125	0	0	0	0	0	0	0	0	0	0%
107	2126	0	0	0	0	0	0	0	0	0	0%
108	2127	0	0	0	0	0	0	0	0	0	0%
109	2128	0	0	0	0	0	0	0	0	0	0%
110	2129	0	0	0	0	0	0	0	0	0	0%
111	2130	0	0	0	0	0	0	0	0	0	0%
112	2131	0	0	0	0	0	0	0	0	0	0%
113	2132	0	0	0	0	0	0	0	0	0	0%
114	2133	0	0	0	0	0	0	0	0	0	0%
115	2134	0	0	0	0	0	0	0	0	0	0%
116	2135	0	0	0	0	0	0	0	0	0	0%
117	2136	0	0	0	0	0	0	0	0	0	0%
118	2137	0	0	0	0	0	0	0	0	0	0%
119	2138	0	0	0	0	0	0	0	0	0	0%
120	2139	0	0	0	0	0	0	0	0	0	0%
121	2140	0	0	0	0	0	0	0	0	0	0%
122	2141	0	0	0	0	0	0	0	0	0	0%
123	2142	0	0	0	0	0	0	0	0	0	0%
124	2143	0	0	0	0	0	0	0	0	0	0%
125	2144	0	0	0	0	0	0	0	0	0	0%
126	2145	0	0	0	0	0	0	0	0	0	0%
127	2146	0	0	0	0	0	0	0	0	0	0%
128	2147	0	0	0	0	0	0	0	0	0	0%
129	2148	0	0	0	0	0	0	0	0	0	0%
130	2149	0	0	0	0	0	0	0	0	0	0%
131	2150	0	0	0	0	0	0	0	0	0	0%
132	2151	0	0	0	0	0	0	0	0	0	0%
133	2152	0	0	0	0	0	0	0	0	0	0%
134	2153	0	0	0	0	0	0	0	0	0	0%
135	2154	0	0	0	0	0	0	0	0	0	0%
136	2155	0	0	0	0	0	0	0	0	0	0%
137	2156	0	0	0	0	0	0	0	0	0	0%
138	2157	0	0	0	0	0	0	0	0	0	0%
139	2158	0	0	0	0	0	0	0	0	0	0%
140	2159	0	0	0	0	0	0	0	0	0	0%
141	2160	0	0	0	0	0	0	0	0	0	0%
142	2161	0	0	0	0	0	0	0	0	0	0%
143	2162	0	0	0	0	0	0	0	0	0	0%
144	2163	0	0	0	0	0	0	0	0	0	0%
145	2164	0	0	0	0	0	0	0	0	0	0%
146	2165	0	0	0	0	0	0	0	0	0	0%
147	2166	0	0	0	0	0					



#### Case Study: Joe & Deborah M.

Here's another snapshot of part of the income gap report for Joe and Deborah. The red bars represent their total retirement income need. The blue bars represent their Social Security income, which you can see don't cover all their income needs. As we've discussed, for most of you attending our seminar, Social Security will provide some but not all, of the income you need in retirement.

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.

## Frequently Asked Questions

- Why does (company name) offer this complimentary Social Security Analysis and Retirement Income Strategy?
  1. How does (Company Name) get paid?
  2. What if I'm not ready to retire?
  3. What if I already have a financial professional?

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1. Why do we offer this Social Security Analysis and Retirement Income Strategy? We offer them because we believe it's important that you have a strategy in place that takes into account both social security and your retirement income needs. I've found this to be a very under-served area. Often, traditional financial professionals are focused on growing your money, which is important when you are younger. But as you get closer and into retirement your needs change, and preservation and distribution become more important.

2. How do we get paid?

(For insurance only producers):

"As a licensed insurance professional, I am paid directly from the companies I represent if you choose to purchase a product through me."

(For IAR producers):

As a financial professional, I can get paid in a couple of different ways depending on how I work with a particular client. Many companies pay me directly if you choose to purchase a financial product through me. For other clients, I earn 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 a financial professional 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. Besides, if your advisor really understood retirement income planning, wouldn't they be hosting a seminar like this?

# Thank You for Attending

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- Complimentary Consultation
  - Areas of Interest & Concern
  - 2 Best Times to Meet
  - Sign Up Before You Leave
  - No Charge 60 Min. Consultation
  
- Please Rate our Presentation
  - Content & Guest Speaker
  - Comments/Suggestions

### Evaluation Form

Date \_\_\_\_\_ Location \_\_\_\_\_  
 Name \_\_\_\_\_ Speaker Name \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ ZIP \_\_\_\_\_  
 Phone \_\_\_\_\_ E-Mail \_\_\_\_\_  
 Your DOR \_\_\_\_\_ Speaker DOR \_\_\_\_\_

---

**Areas of Interest and Concern**  
Please Check All That Apply

I would like a Social Security Planning Report  
 I would like my Social Security checked for EOP  
 I would like a Guaranteed Lifetime Income Analysis  
 I would like a Tax-Free Retirement Income Review

---

**Yes, I Would Like a Complimentary Consultation**  
Please List the Best Two Times to Schedule Your Meeting (See Slide - We Will Call to Confirm)

I'd prefer to \_\_\_\_\_ Yes \_\_\_\_\_  
 I'd prefer to \_\_\_\_\_ Yes \_\_\_\_\_

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Please rate today's workshop AFTER the presentation is complete.

Presentation Content      Speaker's Speaking  
 1 2 3 4                              1 2 3 4

Comments/Suggestions

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Thank you for Attending**

Again we appreciate everyone coming tonight and hope that you received some information that will help you navigate through your personal Social Security Planning process. If you would please take out the sheet titled "Evaluation Form". We ask that you fill this out so we can make sure we are constantly improving the presentation. On the top, please fill out your information, we do not share this with anyone else and it is 100% confidential. Second, you will see your Areas of Interest and Concern, please check the areas you would like to discuss in your consultation. Due to time constraints, we ask that you give us two times that you will be available within the next week and we will call with in the next few days to confirm your consultation. At the consultation, you will receive your report and have a chance to ask any specific questions you have about tonight's presentation. Finally, on the bottom, we ask that you rate our presentation and the speaker. We take this seriously and our goal is to make sure you really learned something tonight and we have provided a service to everyone who has attended. Thanks again to everyone for coming tonight, we hope you gained something from the seminar and look forward to meeting with everyone to prepare your personal Social Security Report. Please pass your forms in before you leave and we hope you have a great evening.

LOGO

### Contact info

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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.

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