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Prepared for:  
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## SOCIAL SECURITY CALCULATION ASSUMPTIONS

<b>Name</b>	Jane
<b>Date of Birth</b>	10/28/1965
<b>Assumed Inflation</b>	2%
<b>Real Rate of Return</b>	0%
<b>Basic Income Need</b>	\$7,917

## ESTIMATED MONTHLY BENEFITS

Age	62	63	64	65	66	67	68	69	70
<b>Jane</b>	\$1,524	\$1,656	\$1,801	\$1,990	\$2,186	\$2,389	\$2,632	\$2,884	\$3,144

## WHY ARE THE ESTIMATED BENEFITS DIFFERENT FROM MY SOCIAL SECURITY STATEMENT?

Your Social Security statement makes certain assumptions that differ from the assumptions we make in preparing your analysis.

First, Social Security assumes that the average wages will not increase in the future. Average wage statistics are used to index your past earnings to equal today's dollars, and to adjust formulas in the benefit calculation. We assume that the average wage will increase at the same pace as inflation, and we adjust your earnings as well as the formulas for future election years based on this assumption.

Second, your Social Security Statement does not include Cost-of-Living Adjustment (COLA). Historically, cost of living adjustments have occurred regularly, and a recent Social Security Trustees report (<https://www.ssa.gov/oact/tr/2020/>) assumes long term COLA to be between 1.8% and 3.0% per year with the most likely average being 2.4% per year. The benefit amounts above include COLA based on the 2.00 % inflation assumption per year that you entered.

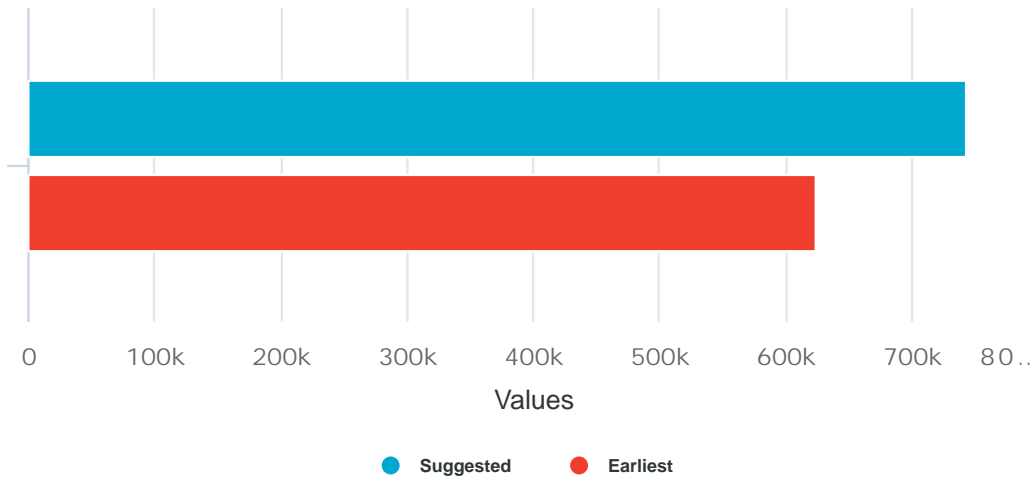
The raw dollar amount of your future benefit is of interest to most of our clients, and as a result, we present that information above and through this report when potential benefit amounts are referenced. As a result, the monthly benefit amounts above and through the remainder of this report represent your benefits in future dollars. We have taken substantial care to utilize the lifetime values of different benefit elections in today's dollars, using a real rate of return of 0%. Lifetime benefit values throughout this report represent the present value of benefits based on the estimated cash flows on the respective strategy cashflow tables. Cashflow tables are annual cash flows. "Strategy" in this report is used to denote a set of Social Security claiming ages and techniques, not an investment strategy.

## SOCIAL SECURITY STRATEGY COMPARISON

The expected lifetime family benefit for the suggested strategy is: \$743,030.

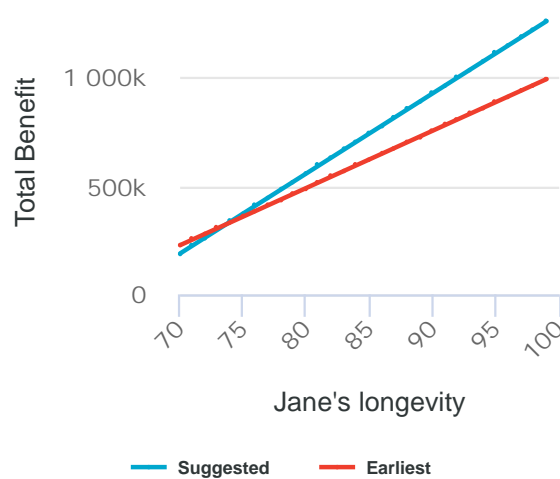
The expected lifetime family benefit for the earliest strategy is: \$623,282.

Strategy Comparison



This graph represents present value of lifetime family benefits. The preceding chart and comparisons assume that Jane dies at age 85.

Break Even Chart



This graph illustrates which of the outlined strategies provides the best outcome at any given set of whole year death age combinations. Break even points occur at combinations where the strategy offering the best outcome changes. The suggested strategy was determined by assuming Jane dies at age 85.

# STRATEGY DETAIL: SUGGESTED SOCIAL SECURITY STRATEGY

## OCTOBER 2027

- Jane files a restricted application for Retirement benefits only requesting a month of election of January 2028 at 62 and 3 months. Jane's first check would be received in February 2028 for approximately \$1,573.

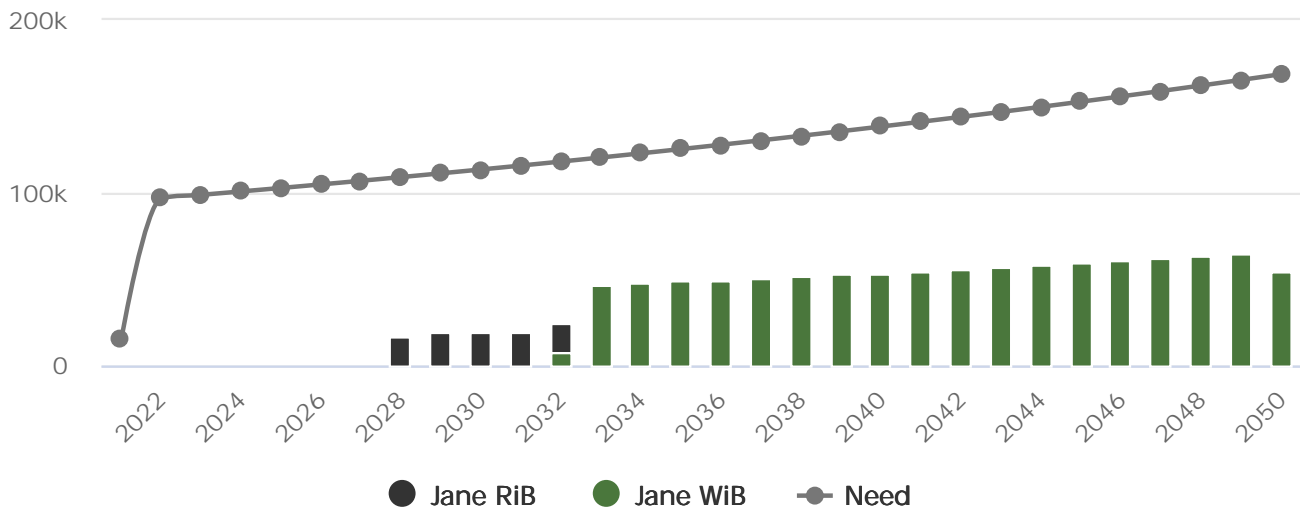
## JULY 2032

- Jane files a standard application for Widow(er)'s benefits requesting a month of election of October 2032 at 67.

The expected lifetime family benefit using this strategy is: **\$743,030.**

## USING THE SUGGESTED ELECTION AGES

Estimated vs. Desired Income



The preceding charts demonstrate future value cash flows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

## STRATEGY DETAIL: SUGGESTED SOCIAL SECURITY STRATEGY ESTIMATED CASH FLOWS

Jane:

Combined Benefit Breakdown Net Present Value

Retirement	Spousal	Widow
\$78,037	\$0	\$664,993

## SUGGESTED STRATEGY: EXPECTED CASH FLOW FUTURE VALUES

Year	Jane			Summary	
	Age	RiB	Widow	Total	Other
2016	51	-	-	-	-
2017	52	-	-	-	-
2018	53	-	-	-	-
2019	54	-	-	-	-
2020	55	-	-	-	-
2021	56	-	-	-	-
2022	57	-	-	-	-
2023	58	-	-	-	-
2024	59	-	-	-	-
2025	60	-	-	-	-
2026	61	-	-	-	-
2027	62	-	-	-	-
2028	63	\$17,303	-	\$17,303	-
2029	64	\$19,248	-	\$19,248	-
2030	65	\$19,632	-	\$19,632	-
2031	66	\$20,028	-	\$20,028	-
2032	67	\$17,020	\$7,656	\$24,676	-
2033	68	-	\$46,860	\$46,860	-
2034	69	-	\$47,796	\$47,796	-
2035	70	-	\$48,744	\$48,744	-
2036	71	-	\$49,728	\$49,728	-
2037	72	-	\$50,712	\$50,712	-

## SUGGESTED STRATEGY: EXPECTED CASH FLOW FUTURE VALUES

	Jane			Summary	
Year	Age	RiB	Widow	Total	Other
2038	73	-	\$51,732	\$51,732	-
2039	74	-	\$52,764	\$52,764	-
2040	75	-	\$53,820	\$53,820	-
2041	76	-	\$54,900	\$54,900	-
2042	77	-	\$55,992	\$55,992	-
2043	78	-	\$57,108	\$57,108	-
2044	79	-	\$58,260	\$58,260	-
2045	80	-	\$59,424	\$59,424	-
2046	81	-	\$60,612	\$60,612	-
2047	82	-	\$61,824	\$61,824	-
2048	83	-	\$63,048	\$63,048	-
2049	84	-	\$64,320	\$64,320	-
2050	85	-	\$54,670	\$54,670	-
		<b>\$93,231</b>	<b>\$999,970</b>	<b>\$1,093,201</b>	

## STRATEGY DETAIL: EARLIEST SOCIAL SECURITY STRATEGY

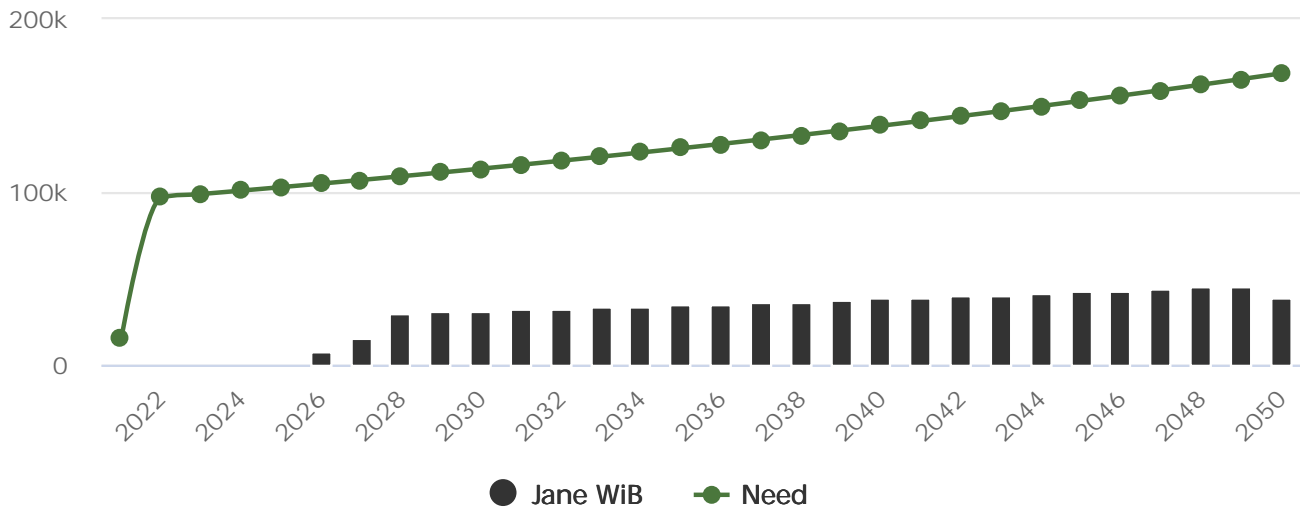
### JULY 2025

- Jane files a standard application for Widow(er)'s benefits requesting a month of election of October 2025 at 60.

The expected lifetime family benefit using this strategy is: **\$623,282.**

### USING THE EARLIEST ELECTION AGES

Estimated vs. Desired Income



The preceding charts demonstrate future value cash flows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.



## STRATEGY DETAIL: EARLIEST SOCIAL SECURITY STRATEGY ESTIMATED CASH FLOWS

Jane:

Combined Benefit Breakdown Net Present Value

Retirement	Spousal	Widow
\$0	\$0	\$623,282

## EARLIEST STRATEGY: EXPECTED CASH FLOW FUTURE VALUES

Year	Jane		Summary	
	Age	Widow	Total	Other
2016	51	-	-	-
2017	52	-	-	-
2018	53	-	-	-
2019	54	-	-	-
2020	55	-	-	-
2021	56	-	-	-
2022	57	-	-	-
2023	58	-	-	-
2024	59	-	-	-
2025	60	-	-	-
2026	61	\$7,208	\$7,208	-
2027	62	\$15,424	\$15,424	-
2028	63	\$30,336	\$30,336	-
2029	64	\$30,948	\$30,948	-
2030	65	\$31,572	\$31,572	-
2031	66	\$32,196	\$32,196	-
2032	67	\$32,844	\$32,844	-
2033	68	\$33,504	\$33,504	-
2034	69	\$34,164	\$34,164	-
2035	70	\$34,848	\$34,848	-
2036	71	\$35,544	\$35,544	-
2037	72	\$36,252	\$36,252	-

## EARLIEST STRATEGY: EXPECTED CASH FLOW FUTURE VALUES

	Jane		Summary	
Year	Age	Widow	Total	Other
2038	73	\$36,984	\$36,984	-
2039	74	\$37,716	\$37,716	-
2040	75	\$38,472	\$38,472	-
2041	76	\$39,252	\$39,252	-
2042	77	\$40,032	\$40,032	-
2043	78	\$40,824	\$40,824	-
2044	79	\$41,652	\$41,652	-
2045	80	\$42,480	\$42,480	-
2046	81	\$43,332	\$43,332	-
2047	82	\$44,196	\$44,196	-
2048	83	\$45,072	\$45,072	-
2049	84	\$45,984	\$45,984	-
2050	85	\$39,080	\$39,080	-
		<b>\$889,916</b>	<b>\$889,916</b>	

# SPECIAL SOCIAL SECURITY CONCEPTS: WIDOWS AND WIDOWERS

Social Security offers two distinct benefits for widows and widowers: a retired worker benefit, which is based on your own earnings record; and a widow(er) benefit, which is based on the earning of a deceased spouse.

## RESTRICTING YOUR APPLICATION

These benefits can be elected independent of each other. A strong Social Security strategy for a widow or widower most often involves the election of only your retirement benefit with plans to later switch to your widow(er) benefit or vice versa.

When you go to the Social Security office, the individual you meet with may only be trained to help you identify the highest benefit you can get today, not necessarily over your lifetime.

Representatives are generally instructed to pay the highest benefit that you are eligible for on the day you file — often not the optimal strategy for lifetime benefits.

In order to restrict your application to one class of benefits while excluding another class, the claims representative must write specific language on the application. This type of restriction may not be able to be completed online, and if the application is processed without a restriction, a restriction cannot be added later.

The claimant may restrict the application by completing appropriate blocks on the application or by signing an unequivocal statement that he/she does not wish to file for a specific benefit as follows:

“I filed on (DATE ) for all benefits for which I may be eligible except \_\_\_\_\_”; or “I wish to exclude \_\_\_\_\_ benefits from the scope of this application.”

## THE WIDOW LIMIT

Social Security benefits for widows are generally limited based upon if and when the deceased filed for retirement benefits.

If the deceased had not filed for benefits, the survivor is limited to the larger of what the deceased would have been entitled to if he or she claimed as of his or her date of death, or his or her PIA.

If the deceased had filed for benefits, the survivor is eligible for up to the larger of the amount the deceased would be receiving if alive, or 82.5% of the deceased PIA.

## REDUCTIONS FOR EARLY CLAIMING

Widow(er) benefits are reduced to 71.5% of the deceased PIA if they are claimed at age 60 and fractionally, depending on the number of months between the widow's full retirement age for widow's benefits, which may be different than full retirement age for retirement benefits.

Our analysis considers all possible whole-year election age combination for the two benefits (60/62, 61/62, 61/63 etc.), plus relevant ages such as full retirement age, including the specific reductions or credits for early or delayed claiming of each benefit. It calculates the expected lifetime benefit at each age combination and identifies the claiming strategy that provides the highest expected lifetime benefit. The optimal claiming strategy is then outlined for your consideration.

## THE RETIREMENT EARNINGS TEST

### **How does work affect Social Security?**

You are able to work and receive Social Security retirement, spousal, or survivor's benefits. However, you may be subject to a reduction in benefits if you haven't attained full retirement age.

The Social Security Administration (SSA) will withhold benefits during the year in which you work assuming that you provide an estimate to the Social Security office about your expected earnings. If you do not report estimated earnings, the SSA will withhold your monthly payments in the following year until all benefits that should have been withheld are paid in full.

### **How much of my benefit will be withheld?**

In 2021, you are allowed to earn up to \$18,960 before benefits are withheld. For every \$2 you earn above the exempt amount, \$1 dollar will be withheld. This applies to all years leading up to the year in which you attain your full retirement age. During the year you attain full retirement age the exempt amount increases to \$50,520 and for every \$3 you earn over the exempt amount \$1 will be withheld.

Even though your benefits are withheld they are not completely lost. Once you reach full retirement age, your benefits will be increased to account for the number of months that you did not receive a benefit. For example, if your full retirement age is 66 and you filed for benefits at 62 you received a reduction in benefits for taking benefits 48 months early. If 12 payments are withheld due to the earnings test, your benefits will be adjusted at your full retirement age and it will be as if you elected at age 63, or 36 months early.

## WHAT IS CONSIDERED INCOME?

If you are employed by someone else, only wages are considered earned income for the purpose of the annual earnings test. For people who are self-employed, only net earnings count. It is important to note that employee contributions to pension or retirement plans are included in gross wages.

### **Income that is not counted as earnings include:**

- Government benefits
- Investment earnings
- Interest
- Pensions
- Annuities
- Capital gains

## SPECIAL RULE

For people who file for benefits mid-year and have already earned more than the exempt amount, the monthly earnings test is used. For any month during that first year that you earn under the monthly exempt amount, which is simply 1/12 of the annual exempt amount, you will receive your full benefit for that month, regardless of your earnings before you filed for benefits.

## SOCIAL SECURITY TIMING DISCLOSURES

This report is intended as a diagnostic tool to suggest potential election options that may be beneficial. The election options considered may not be exhaustive. While substantial effort has been taken to ensure the accuracy of all calculations, we provide no guarantees. Further, this report can not anticipate future changes to the Social Security System, formulae, or claiming rules.

**This report specifically excludes the following situations:**

1. This report does not account for disability years. If you have years in which you received Social Security Disability benefits, the result will be inaccurate.
2. This report may incorporate Social Security's Annual Earnings Test. It does not incorporate the Monthly Earnings Test.
3. This report does not incorporate children's benefits, dependent parent's benefits, or the family maximum calculation.
4. This report assumes that the surviving spouse will begin receiving the higher of his or her own benefit, or the deceased spouse's benefit at the time of the first death. Further, the calculation does not assume election of widow's benefits prior to age 70. As a result, if the date of death for either spouse is prior to the survivor's age 70, the results will be inaccurate.
5. This report does not treat Railroad or Military earnings separately. Workers who have 10+ years of Railroad earnings, or certain military service may experience inaccurate results.
6. We assume "Fully Insured" status. If you have not reached fully insured status for retirement benefits, the results will be inaccurate.

Election options also must be coordinated with your other retirement planning. The contents of this report when judged in the context of your overall financial plan may not be optimal for your circumstances, as it may cause unacceptable trade-offs with your other investment assets. Please seek the advice of your own tax, financial, and legal advisors before implementing any strategies contained in this report.

In this report, life expectancy assumptions may be manually entered, or based on Social Security mortality tables, available at [www.ssa.gov/OACT/STATS/table4c6.html](http://www.ssa.gov/OACT/STATS/table4c6.html). Report contents and calculations provided by Social Security Timing.