UNDERSTANDING YOUR

Social Security Strategy



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Important Notes

This report of your Social Security benefits is based on the information you provided. Its purpose is to help you frame your thoughts and become better informed before filing. It shows strategies and age combinations that you might not have considered. This report is not intended to provide an exact analysis, but it will help you determine the filing method and age you want to start your benefits. This report reflects the provisions and restrictions included in the Bipartisan Budget Act of 2015.

This report assumes that you stop work when you start your Social Security benefits. Prior to full retirement age, your earnings from continuing to work may result in your benefits being reduced or withheld. When you reach full retirement age, an adjustment is made to restore any reduced or withheld benefits. After full retirement age, there is no benefit reduction for wages or self-employment earnings.

A portion of your Social Security benefits may be taxable. Since other sources of retirement income can affect taxation of your benefits, proper income tax planning can only be done as part of a comprehensive retirement income plan. The actual income taxation of Social Security benefits will depend on the facts and circumstances at the time the benefits are received. Any illustration of the potential income taxation of Social Security benefits is an estimate.

If you have questions not covered in this report, your Social Security Administration office and its website (www.ssa.gov) are excellent sources of additional information.

IMPORTANT: The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

This tool and support materials are designed to provide general information on the subjects covered. It is not intended to provide specific legal or tax advice. You should discuss all strategies with your legal, tax, and financial advisors.

Planning for Social Security Retirement Benefits

For some people, choosing the right time to file for Social Security retirement benefits appears to be straightforward. Some choose to take benefits at age 62, as soon as they become available. Some choose to take benefits at the same time they stop working. While others delay claiming benefits just to get a higher benefit payment. Unfortunately, it might not be that simple. Indeed, for many, the decision is more complicated.

Most people should ask, and get answers to, the following questions:

- At what age should I file for benefits?
- At what age should my spouse file for benefits?
- · When does it make sense to claim a spousal benefit?
- How do I make sure my spouse gets the largest survivor benefit?
- How do we know which of the common filing methods might be right for us?
- If one of us lives a long life, how does that affect our decision? Clearly there can be a lot involved.

This report illustrates one or more Social Security retirement income planning strategies (start ages and filing method) that may help you reach your retirement income goals. Your Social Security benefits are shown before taxes in future dollars, assuming annual cost of living adjustments from today. The report is based on the information you provided below.

	MR. T	MRS. T
Date of Birth	3/12/1954	9/9/1959
Full Retirement Age (FRA)	66	66 and 10 months
Monthly benefit at FRA ¹	\$2,519	\$2,595
If benefits start at 66		FRA
Assume live to	83	84
Rate of return for cumulative value of benefit	0%	
Social Security cost of living adjustment	1.5%	
Effective income tax rate		15%
Modified Adjusted Gross Income		\$120,000

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Social Security Strategy



What Does This Mean?

The above grid represents the filing age combinations for starting Social Security benefits. Total benefits are calculated for each available age combination. The darker the square, the higher the total value for a given age combination. The star represents the age combination with the highest overall total. If more than one combination results in the same total, the earliest possible age combination is shown. The check shows an alternative start age combination.

The strategy selected and emphasized in this report starts benefits for Terence at age 70 and Wendy at age 65 (the start ages that will provide maximum benefits over the projected lifetimes). The difference shown below is how much less benefit would be received if an alternative start age combination is selected.

SELECTED START AGES	CUMULATIVE VALUE ¹	
★ Mr. T at 70, Mrs. T at 65	\$1,307,308	
ALTERNATIVE START AGES	CUMULATIVE VALUE ¹	DIFFERENCE FROM SELECTED
① Mr. T at 67, Mrs. T at 62	\$1,235,708	\$71,600 less

Cumulative value calculated through 2042.

★ Selected Strategy (Maximum Benefits)

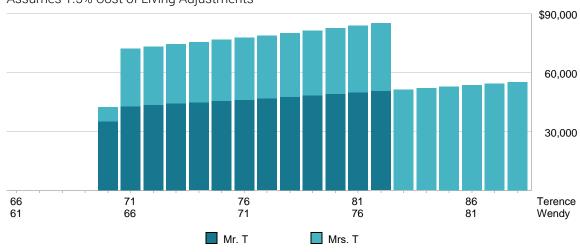
	MR. T	MRS. T
Current Age (at year end)	66	61
Monthly benefit at FRA ¹	\$2,519	\$2,595
Assume live to	83	84
Start benefits at age	70	65

\$1,307,308

CUMULATIVE VALUE OF BENEFITS

File for Benefits

ANNUAL BENEFITS BY YEAR Assumes 1.5% Cost of Living Adjustments



			NEW MONTHLY BENEFITS			
DATE	AGE	² CHANGE FOR	MR. T	Mrs. T	TOTAL	REASON
Mar 2024	70	MR. T	\$3,529	\$2,418	\$5,947	Start own retirement benefits
Oct 2024	65	MRS. T	\$3,529	\$2,418	\$5,947	Start own retirement benefits
Jan 2037	78	MRS. T	\$0	\$4,283	\$4,283	Survivor benefits start

¹ This report assumes that you stop work when you start your Social Security benefits. Prior to full retirement age, your earnings from continuing to work may result in your benefits being reduced or withheld. When you reach full retirement age, an adjustment is made to restore any reduced or withheld benefits. After full retirement age, there is no benefit reduction for wages or self-employment earnings.

² Age at end of year illustrated.

Annual Social Security Benefits

Assumes 1.5% Cost of Living Adjustment

		MR. T			MRS. T	7		ТОТА	L
Year	Age ¹	Retirement	Spousal	Age ¹	Retirement	Spousal	Survivor	Annual Total	Cumulative
2020	66	0	0	61	0	0	0	0	0
2021	67	0	0	62	0	0	0	0	0
2022	68	0	0	63	0	0	0	0	0
2023	69	0	0	64	0	0	0	0	0
2024	70	35,290	0	65	7,254	0	0	42,544	42,544
2025	71	42,984	0	66	29,448	0	0	72,432	114,976
2026	72	43,632	0	67	29,892	0	0	73,524	188,500
2027	73	44,280	0	68	30,336	0	0	74,616	263,116
2028	74	44,952	0	69	30,792	0	0	75,744	338,860
2029	75	45,624	0	70	31,248	0	0	76,872	415,732
2030	76	46,308	0	71	31,728	0	0	78,036	493,768
2031	77	47,004	0	72	32,196	0	0	79,200	572,968
2032	78	47,712	0	73	32,676	0	0	80,388	653,356
2033	79	48,420	0	74	33,168	0	0	81,588	734,944
2034	80	49,152	0	75	33,672	0	0	82,824	817,768
2035	81	49,884	0	76	34,176	0	0	84,060	901,828
2036	82	50,628	0	77	34,692	0	0	85,320	987,148
2037				78	35,208	0	16,188	51,396	1,038,544
2038				79	35,736	0	16,428	52,164	1,090,708
2039				80	36,264	0	16,680	52,944	1,143,652
2040				81	36,816	0	16,920	53,736	1,197,388
2041				82	37,368	0	17,184	54,552	1,251,940
2042				83	37,932	0	17,436	55,368	1,307,308

¹ Age at end of year illustrated.

Annual Income Tax Values

Assumes a Modified Adjusted Gross Income of \$120,000 and an effective income tax rate of 15%.

YEAR	AGES	TOTAL ANNUAL BENEFITS	PERCENT SUBJECT TO INCOME TAX	ESTIMATED INCOME TAX ON BENEFITS	TOTAL BENEFITS AFTER-TAX
2020	66/61	0	85%	0	0
2021	67/62	0	85%	0	0
2022	68/63	0	85%	0	0
2023	69/64	0	85%	0	0
2024	70/65	42,544	85%	5,424	37,120
2025	71/66	72,432	85%	9,235	63,197
2026	72/67	73,524	85%	9,374	64,150
2027	73/68	74,616	85%	9,514	65,102
2028	74/69	75,744	85%	9,657	66,087
2029	75/70	76,872	85%	9,801	67,071
2030	76/71	78,036	85%	9,950	68,086
2031	77/72	79,200	85%	10,098	69,102
2032	78/73	80,388	85%	10,249	70,139
2033	79/74	81,588	85%	10,402	71,186
2034	80/75	82,824	85%	10,560	72,264
2035	81/76	84,060	85%	10,718	73,342
2036	82/77	85,320	85%	10,878	74,442
2037	78	51,396	85%	6,553	44,843
2038	79	52,164	85%	6,651	45,513
2039	80	52,944	85%	6,750	46,194
2040	81	53,736	85%	6,851	46,885
2041	82	54,552	85%	6,955	47,597
2042	83	55,368	85%	7,059	48,309

This illustration of the potential income taxation of Social Security benefits is an estimate. Social Security benefits are only one source of retirement income. Since other sources of retirement income can affect taxation of these benefits, proper income tax planning can only be done as part of a comprehensive retirement income plan. The actual income taxation of Social Security benefits will depend on the facts and circumstances at the time the benefits are received. Up to 85% of your Social Security benefits may be taxed.¹

Be sure to consider your retirement plan distributions. All distributions from IRAs and employer plans will be included in MAGI. Roth IRA distributions will not be included.

ssa.gov Retirement Benefits booklet January 2019. This percentage can be changed by Congress.

Action Plan

For MR. T starting benefits at age 70 and Wendy starting benefits at age 65

\checkmark	WHEN	WHO	ACTION	NOTES
	November 2023	Mr. T	File for benefits.	Apply 3 months prior to date benefits would start. Application may be made any time during this month.
	June 2024	MRS. T	File for benefits.	Apply 3 months prior to date benefits would start. Application may be made any time during this month.
	At death of a spouse		When a spouse dies, the surviving spouse should notify the Social Security Administration of spouse's death.	Social Security provides a one- time payment of \$255 plus potential monthly survivors' benefits.

This schedule was prepared on -----

All items should be reviewed regularly and adjusted for any changes in Social Security rules, tax laws, or major life events of either Mr. T and Mrs. T. A review with your financial advisors annually is recommended.