

Making Social Security Work for You!



While Social Security eligibility rules are generally the same for everyone, no one's life, retirement goals, or financial needs are exactly the same. Social Security is an important part of your overall plan for creating lifetime retirement income. Discuss everything you want out of retirement with your financial professional. Then, ask how to shape a sustainable retirement income strategy that's right for you.

Choose When to Start Retirement Benefits

You are eligible to begin Social Security benefits as early as age 62, but many individuals defer taking benefits until a later age. Why? The longer you wait, the larger your Social Security checks will be when you begin receiving them. Your decision should be based on your specific situation and financial needs. Here are the options:

- Age 62—Your Social Security checks will equal 70–75% of your full retirement benefit.
- Full Retirement Age (FRA)—Your checks will equal 100% of your full retirement benefit (see chart).
- After FRA—There is an 8% credit per year for waiting, up until age 70 when your check amount will be up to 132% of your full retirement benefit.

Your Full Retirement Age (FRA)	
Year of Birth*	FRA
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 or Later	67

Source: Social Security Administration.

*If born on January 1 of any year refer to the previous year.

A Consideration for Married Couples...

Married couples often have a greater chance than a single person of benefitting from deferring Social Security. This is because the number of Social Security payments received depends on the lives of both spouses.

Note: If both the husband and wife are receiving Social Security, the surviving spouse will inherit the larger of the two individual Social Security Benefits.

Evaluate Your Needs and Life Expectancy

In determining when to take Social Security benefits, ask yourself:

1. Do I need extra income now?
2. How long do I expect to live?

If you need income now, you might consider taking Social Security early—but pause a moment to weigh the urgency of your need against the potential advantages of deferring Social Security. However, waiting isn't the right strategy for everyone. Social Security calculates the reductions and increases to payments so that individuals will have received the same amount of money at the time they reach their average life expectancy regardless of when they begin taking benefits. So, generally, waiting is an advantage for people who live longer than the average life expectancy.

Taking Benefits while Receiving Other Income

If you're thinking of taking Social Security benefits while you're still working or you are currently receiving other sources of income, consider the following:

Taxing Social Security Benefits

Up to 85% of Social Security benefits may be included in income and subject to income tax, which affects your total taxable income. Currently, about one-third of people who receive Social Security must pay taxes on their benefits. It's wise to consult with a financial or tax advisor for the most current information.

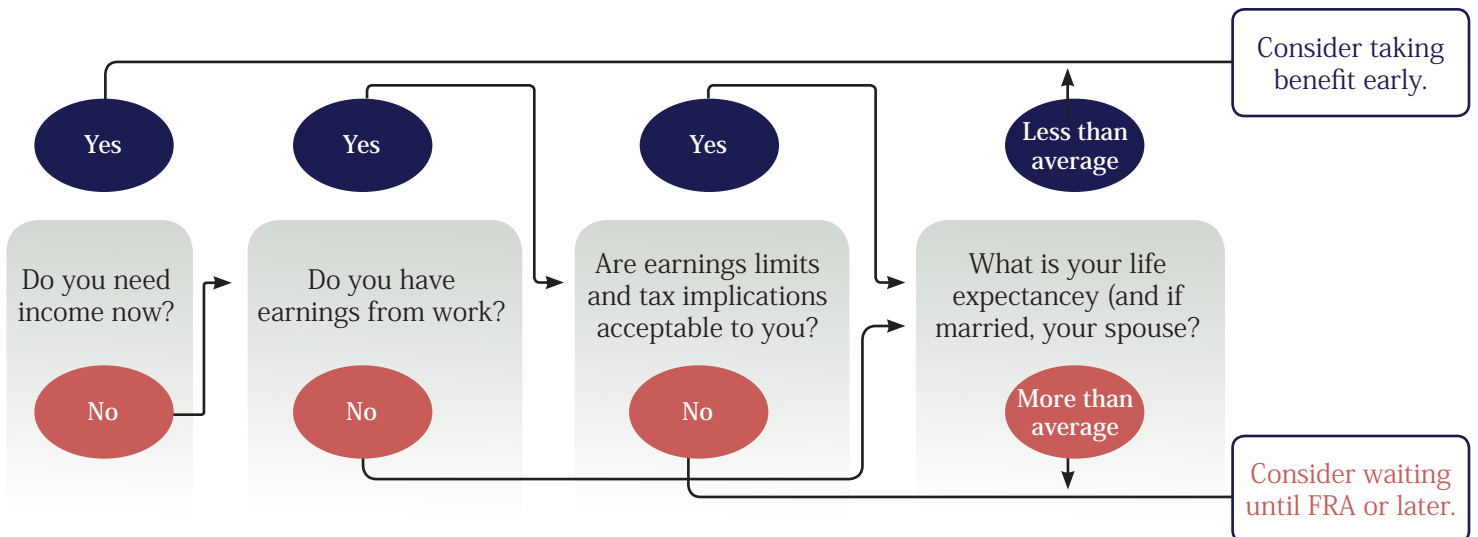
Receiving Benefits while Working

If you begin taking benefits while working and before you reach your Full Retirement Age (FRA) - and your earnings exceed certain limits while you work—some or all of your benefits will not be paid right away. Instead, they'll be included as part of your monthly Social Security benefits after you reach your FRA. Again, check with a tax or financial professional to understand the current earnings limits.



A Social Security Decision Guide

Before electing when to begin your Social Security benefits, review these important considerations:



Social Security Resources

The more you know about Social Security, the better able you'll be to make the most of your benefits. For answers to your Social Security questions, and access to all our resources and tools please contact our office.