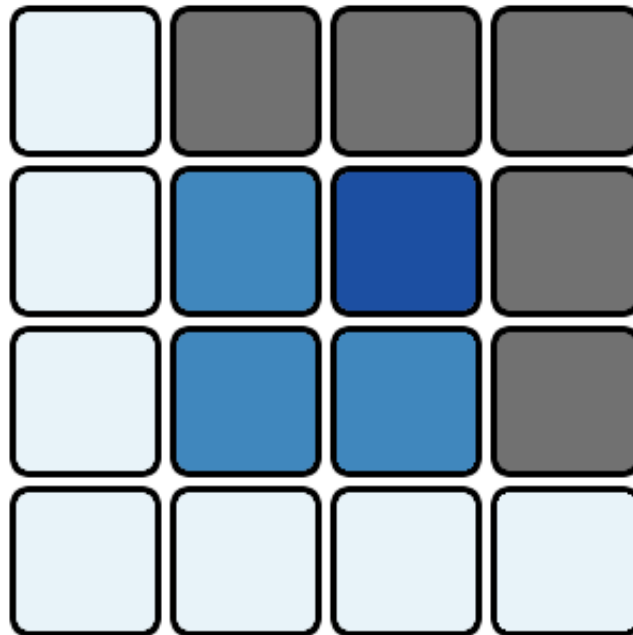


# *Social Security*



## **Choices**

# Maximizing Your Social Security Benefits

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## *Your Personal Roadmap*

### Your Order

Order: #Sample  
Date: February 22, 2013

### Need Help?

Email: [help@socialsecuritychoices.com](mailto:help@socialsecuritychoices.com)  
Phone: (443)-990-1675

## WHAT YOU'LL FIND IN THIS GUIDE

1. **Introduction:** Your Personal Roadmap to Maximizing Your Social Security Benefits, and a Chance to Review the Information You Gave Us
  
2. **Your Optimal Claiming Strategies:** A Summary of the Actions You Should Take to Optimize Your Social Security Benefits
  1. Short Life Expectancy
  2. Normal Life Expectancy
  3. Long Life Expectancy
  4. Exceptional Life Expectancy
  
3. **Answers to Frequently Asked Questions**

## Your Personal Roadmap to Maximizing Your Social Security Benefits

One of the most important financial decisions you will ever make is when to start taking your Social Security benefits. Using the information you provided, we've analyzed every one of your options (also known as claiming strategies) and outlined your Optimal Claiming Strategy (the actions you should take to maximize your Social Security benefits) as it pertains to four life expectancy scenarios.

We used this information to get started:

Year of birth: 1950  
Full Retirement Age (FRA): 66.00  
Monthly Social Security payment at FRA: \$2,250

Based on this information, your estimated monthly benefits at various claiming ages are:

Claiming Age	Monthly Benefit
62	\$1688
63	\$1800
64	\$1950
65	\$2100
66	\$2250
67	\$2430
68	\$2610
69	\$2790
70	\$2970

Next we looked at several life expectancy scenarios. These scenarios enable you to think about the number of years you expect to collect Social Security benefits. For your report, a "normal" lifespan is based on the typical life expectancies of men and women approaching full retirement age. A "long" lifespan makes the assumption that 25% of men or women will outlive you. Finally, a "short" lifespan makes the assumption that 75% of men or women will outlive you.

You chose to analyze these scenarios:

- Short Life Expectancy:** You collect until age 78
- Normal Life Expectancy:** You collect until age 86
- Long Life Expectancy:** You collect until age 92
- Exceptional Life Expectancy:** You collect until age 100

## Your Optimal Claiming Strategies: A Summary of the Actions You Should Take to Optimize Your Social Security Benefits

Now let's take a look at what you need to do to maximize your Social Security benefits. The following table shows you the optimal claiming age and monthly benefit amount for the four alternative life expectancies. In the last column, we also show you the estimated lifetime value (in today's dollars) for the alternative scenarios.

Life Expectancy	Optimal Claiming Age	Monthly Benefit	Total Lifetime Value
Short (78 years)	64	\$1950	\$312,800
Normal (86 years)	63	\$1800	\$308,500
Long (92 years)	66	\$2250	\$455,800
Exceptional (100 years)	68	\$2610	\$596,900

If you enjoy "what-if" analysis, then we created this next table for you. In it we compare your benefits under each scenario for all possible claiming age. For each scenario, we identify the optimal claiming age and lifetime benefit amount (in blue). For all non-optimal claiming ages we show you the losses associated with claiming at those ages.

TABLE 1: EFFECT OF ALTERNATIVE RETIREMENT CLAIMING CHOICES ON OPTIMAL SOCIAL SECURITY WEALTH

Claiming Age	ALTERNATIVE LIFE EXPECTANCIES			
	Short (78)	Normal (86)	Long (92)	Exceptional (100)
62	-\$28,800	-\$24,500	-\$61,100	-\$106,900
63	-\$3,300	<b>\$308,500</b>	-\$54,700	-\$96,500
64	<b>\$312,800</b>	-\$13,800	-\$41,700	-\$78,200
65	-\$6,400	-\$8,600	-\$31,700	-\$62,800
66	-\$12,100	-\$6,200	<b>\$455,800</b>	-\$50,100
67	-\$17,200	-\$1,500	-\$13,700	-\$33,000
68	-\$25,300	-\$4,300	-\$6,200	<b>\$596,900</b>
69	-\$36,400	-\$1,300	-\$1,700	-\$18,100
70	-\$50,400	-\$5,600	-\$4,800	-\$34,900

The table includes all claiming ages from 62 to 70. This will enable you to get some perspective on your choice even if you are now too old to claim at some of the earlier ages in the table. The table does not extend beyond age 70 since everyone eligible for Social Security benefits should claim them by age 70 or earlier. There is absolutely no advantage to waiting beyond age 70. We have included the losses from other possible choices that you might find preferable to the optimal choice, because we understand that for many people waiting until the optimal year may be difficult and the losses from choosing to claim benefits at a different time may be negligible. We hope that this information will give you confidence that you have made a well-informed and wise choice as to when to claim your Social Security retirement benefits.

## Answers to Frequently Asked Questions

Social Security is a complicated system, so we expect that an attentive reader may have some questions after reading through the above analysis. Below, we answer some common questions, but if you have additional questions, don't hesitate to email us at [help@socialsecuritychoices.com](mailto:help@socialsecuritychoices.com).

### ***Q: How do you determine my optimal strategy?***

A: We evaluate each of the claiming choices you face and rank them based on what we call "Social Security Wealth." Social Security Wealth is based on your lifetime Social Security benefits. It is expressed in today's dollars and takes into account the time value of money by using a 3 percent interest rate. For more, [click here](#).

### ***Q: Does this analysis take into account my other assets?***

A: No. We show you how to maximize your lifetime Social Security Wealth. You may want to consult with a financial planner to see how this information best fits into your personal financial plan. Perhaps our recommended claiming scenario is not appropriate for you. If it's not, we provide detailed information on dozens of other claiming scenarios so that you can find the best one for your overall financial plan.

### ***Q: Why do some of my monthly benefit estimates differ from those from the SSA or from other sources?***

A: These values are an approximation based on the information you gave us. Some other sources base their numbers on assumptions about your future earnings or future cost of living adjustments. Our number represents your purchasing power, assuming your full retirement benefit does not change.

### ***Q: Does my claiming strategy change if I continue to work?***

A: That depends. Earnings have no effect on your benefits if you claim after you reach your full retirement age (FRA). However, if you claim before your FRA, earnings above a modest threshold amount will defer, reduce, or eliminate your benefits. Usually people with substantial earnings between age 62 and their FRA find it financially advantageous to delay claiming until their FRA or later. For more, read [here](#).

### ***Q: I expect my future tax bracket to drop, but only after your recommended claiming age. Should I defer claiming until my tax rates drop?***

A: A substantial reduction in your future tax rates might make it advisable to delay claiming. A modest reduction usually does not alter a person's optimal claiming pattern. For more details, click [here](#).

### ***Q: My report recommends that I claim benefits at age 62, an age I have already passed. Is your recommendation a mistake?***

A: No. Suppose you are now 64 and we recommend claiming at 62. Obviously, you cannot turn back the clock. So, to achieve the next best outcome, look for the smallest loss from claiming at all remaining ages up to 70. Click on any cell in our detailed tables to see step-by-step claiming instructions.