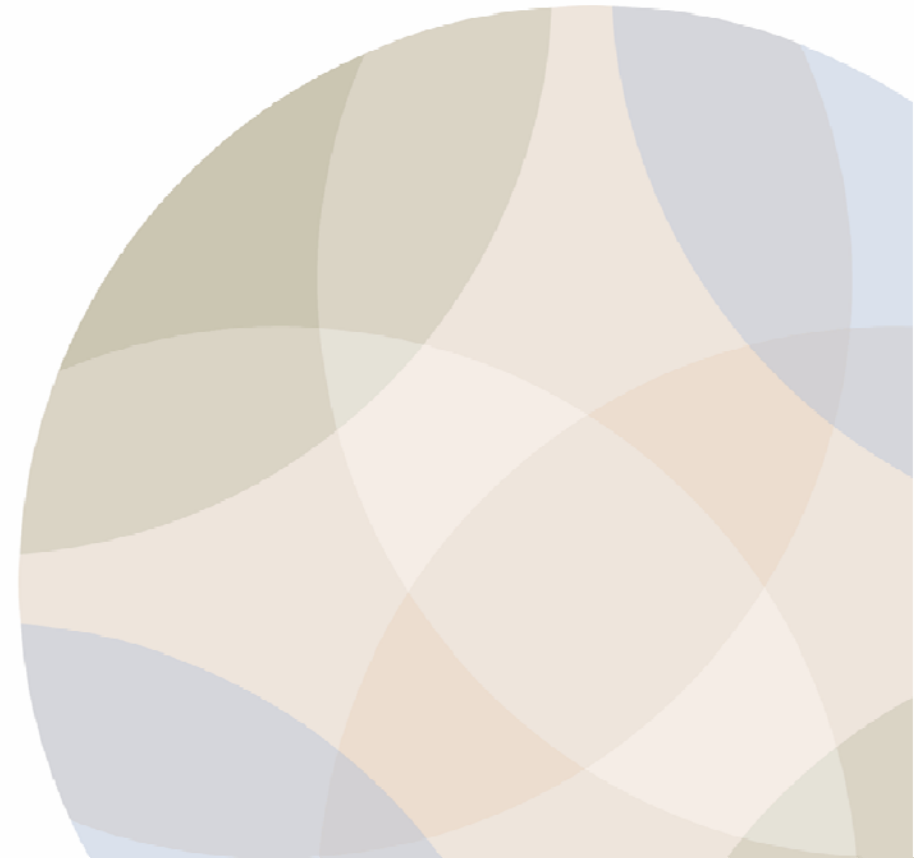


Maximizing Social Security Retirement Benefits

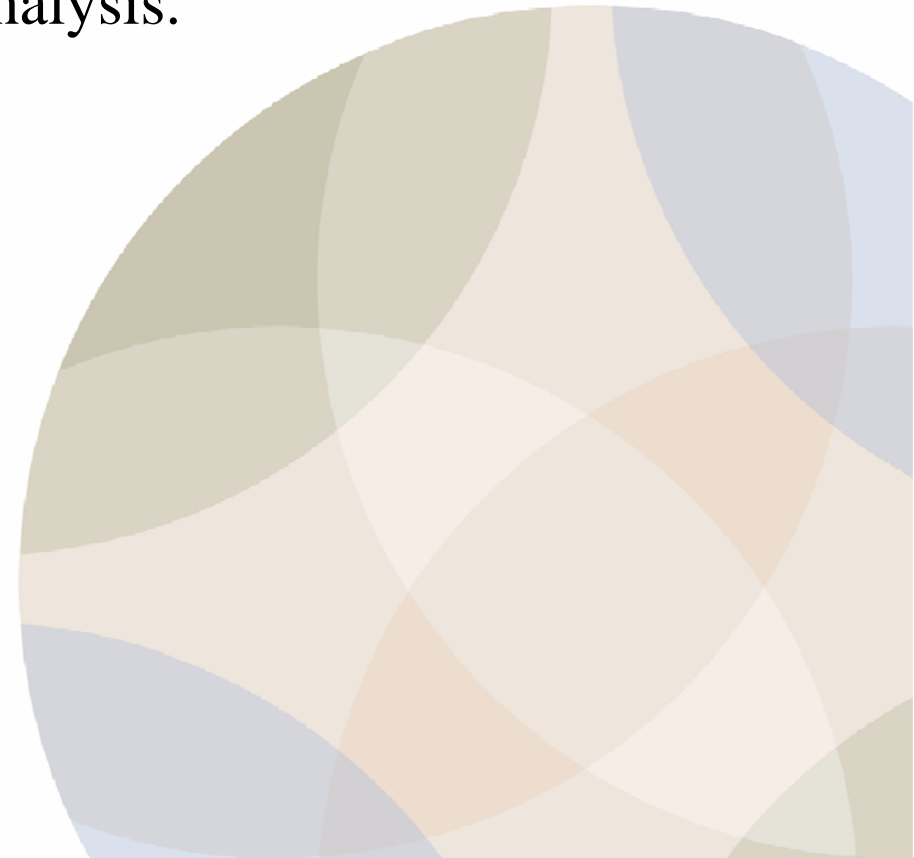
Case Studies

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Strategies and concepts provided in this handout are for educational purposes only and do not represent personal advice. Each individual's social security benefits scenario is different and requires an individualized review and analysis.



Case Study #1

Facts:

Sally, a widow aged 60, has an estimated \$1,600 Social Security Benefit at Full Retirement Age of 66. Her husband Bill died at age 63 before claiming Social Security. His benefit was calculated at around \$2,000.

Sally would like to begin taking payments right away but is unsure of the best approach.

Option A (typical)

At age 62, Sally may claim a reduced retirement benefit of \$1,200 (75% x \$1,600).

She can then claim her Spousal Benefit of \$2,000 at age 66.

Option B (based on SWA analysis)

Starting immediately (age 60), Sally may claim a reduced Spousal Benefit of \$1,430 (71.5% x \$2,000).

Then, if she postpones her own benefit to age 70, it will grow to around \$2,112 (132% x \$1,600), more than her full spousal benefit under Option A.

By postponing her own benefits instead of her spousal benefits, Sally receives around \$45,000 more by the time she is age 90.

Age	Option A (monthly)	Option B (monthly)	Cumulative Benefit Of Option B over A
60	\$ -	\$ 1,430	\$ 17,160
61	\$ -	\$ 1,430	\$ 34,320
62	\$ 1,200	\$ 1,430	\$ 37,080
63	\$ 1,200	\$ 1,430	\$ 39,840
64	\$ 1,200	\$ 1,430	\$ 42,600
65	\$ 1,200	\$ 1,430	\$ 45,360
66	\$ 2,000	\$ 1,430	\$ 38,520
67	\$ 2,000	\$ 1,430	\$ 31,680
68	\$ 2,000	\$ 1,430	\$ 24,840
69	\$ 2,000	\$ 1,430	\$ 18,000
70	\$ 2,000	\$ 2,112	\$ 19,344
71	\$ 2,000	\$ 2,112	\$ 20,688
72	\$ 2,000	\$ 2,112	\$ 22,032
73	\$ 2,000	\$ 2,112	\$ 23,376
74	\$ 2,000	\$ 2,112	\$ 24,720
75	\$ 2,000	\$ 2,112	\$ 26,064
76	\$ 2,000	\$ 2,112	\$ 27,408
77	\$ 2,000	\$ 2,112	\$ 28,752
78	\$ 2,000	\$ 2,112	\$ 30,096
79	\$ 2,000	\$ 2,112	\$ 31,440
80	\$ 2,000	\$ 2,112	\$ 32,784
81	\$ 2,000	\$ 2,112	\$ 34,128
82	\$ 2,000	\$ 2,112	\$ 35,472
83	\$ 2,000	\$ 2,112	\$ 36,816
84	\$ 2,000	\$ 2,112	\$ 38,160
85	\$ 2,000	\$ 2,112	\$ 39,504
86	\$ 2,000	\$ 2,112	\$ 40,848
87	\$ 2,000	\$ 2,112	\$ 42,192
88	\$ 2,000	\$ 2,112	\$ 43,536
89	\$ 2,000	\$ 2,112	\$ 44,880

Social Security Strategies

Case Study #2

Facts:

Joe's Social Security Benefit at Full Retirement Age is calculated to be around \$2,000 per month. Short life expectancy runs in his family and he only anticipates living until age 80. Since he is four years older than his wife Sue, he believes he should begin taking payments as soon as possible. Sue anticipates living longer than Joe, possibly to age 90. Her Social Security Benefit at Full Retirement is estimated at \$1,600 per month.

How can Joe and Sue maximize future benefits?

Option A (typical)

At age 63, Joe may claim a reduced retirement benefit of \$1,600/month.

Then, when she reaches age 63, Sue may claim an early retirement benefit of \$1,280/month. When Joe's passes away (assume age 80), Sue can then claim \$1,650/month as a widow's benefit.

Scenario B (after SWA analysis)

At age 62, Sue may claim reduced Social Security benefits and receive \$1,200/month.

At age 66, Joe can file a restricted application for spousal benefits and receive \$800/month. Then, at age 70, Joe switches to his own retirement benefit which will grow to \$2,640/month due to delayed retirement credits.

When Joe passes away, Sue's spousal benefit now reaches \$2,640/month instead of \$1,650 in Scenario A.

By waiting for full retirement for Bob's benefits and taking spousal benefits in the meantime, Bob and Sue end up receiving \$197,000 more than if they both took early retirement benefits.

Joe's Age	Sue's Age	Option A		Option B		Cumulative Benefit
Age	Age	Joe, \$2,000 PIA	Sue, \$1,600 PIA	Joe, \$2,000 PIA	Sue, \$1,600 PIA	Of B over A
62	58	\$0	\$0	\$0	\$0	\$0
63	59	\$1,600	\$0	\$0	\$0	(\$19,200)
64	60	\$1,600	\$0	\$0	\$0	(\$38,400)
65	61	\$1,600	\$0	\$0	\$0	(\$57,600)
66	62	\$1,600	\$0	\$800	\$1,200	(\$52,800)
67	63	\$1,600	\$1,280	\$800	\$1,200	(\$63,360)
68	64	\$1,600	\$1,280	\$800	\$1,200	(\$73,920)
69	65	\$1,600	\$1,280	\$800	\$1,200	(\$84,480)
70	66	\$1,600	\$1,280	\$2,640	\$1,200	(\$72,960)
71	67	\$1,600	\$1,280	\$2,640	\$1,200	(\$61,440)
72	68	\$1,600	\$1,280	\$2,640	\$1,200	(\$49,920)
73	69	\$1,600	\$1,280	\$2,640	\$1,200	(\$38,400)
74	70	\$1,600	\$1,280	\$2,640	\$1,200	(\$26,880)
75	71	\$1,600	\$1,280	\$2,640	\$1,200	(\$15,360)
79	75	\$1,600	\$1,280	\$2,640	\$1,200	\$30,720
80	76	\$0	\$1,650	\$0	\$2,640	\$42,600
81	77	\$0	\$1,650	\$0	\$2,640	\$54,480
82	78	\$0	\$1,650	\$0	\$2,640	\$66,360
90	86	\$0	\$1,650	\$0	\$2,640	\$161,400
91	87	\$0	\$1,650	\$0	\$2,640	\$173,280
92	88	\$0	\$1,650	\$0	\$2,640	\$185,160
93	89	\$0	\$1,650	\$0	\$2,640	\$197,040