

SOCIAL SECURITY: HOW TO TURN COMMON MISCONCEPTIONS INTO OPPORTUNITIES TO BRING VALUE TO YOUR CLIENTS

Presented by:

Heather L. Schreiber, RICP®

President, HLS Retirement Consulting, LLC

&

Dave Stanley

President, Integrity Financial Service, LLC



DISCLOSURE

Please note that the presenter may provide information, but not give tax or Social Security advice. Consumers should seek guidance from their tax advisor or the Social Security Administration regarding their own situation. Not approved by, endorsed by, or affiliated with the U.S. Government or any governmental agency. This presentation is for financial professional use only and is not approved for use with consumers.

WHAT WE'LL COVER

- 1) Social Security – the gateway opportunity
- 2) What drives your clients' claiming age decision?
- 3) How YOU can bring value to the decision-making process
- 4) Putting it all together with Dave Stanley – Case Studies

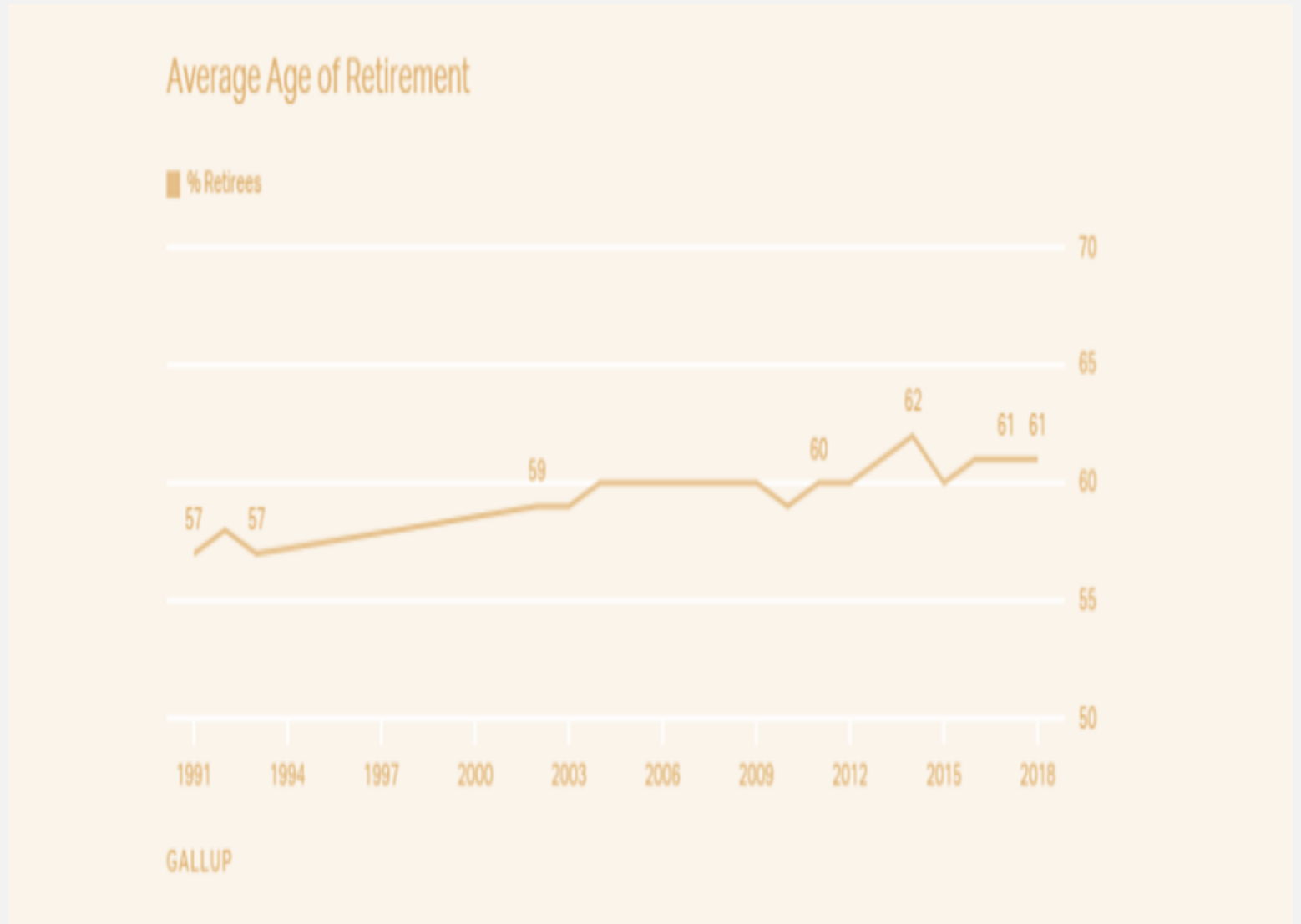
RELATIVE IMPORTANCE OF SOCIAL SECURITY

Based on individuals age 65 or older:

- ▶ 84% of nonmarried retirees & 85% of married retirees collect Social Security benefits
- ▶ Roughly 55% of Social Security beneficiaries are women
- ▶ 62% of all retirees rely on Social Security for 50% or more of their income
- ▶ Average Benefit in 2019 = \$1,461
- ▶ Pensions are a dying breed

HOW LONG WILL RETIREMENT LAST?

- According to a 2018 Gallup poll, the average predicted age at retirement is age 66
- The actual reported age of Americans in retirement is age 61



Source: www.gallup.com/poll/234302; Snapshot: Average Americans Predict Retirement at Age 66, May 2018.

WHAT DRIVES THE SOCIAL SECURITY CLAIMING DECISION FOR YOUR CLIENTS?

- Longevity – “Breakeven?”
- Retirement Date?
- To fill an income gap? Desire to preserve assets earmarked for retirement?
- Fear of the sustainability of the program?

THE GOAL

To reframe a largely emotionally charged decision into a more informed one:

- Based upon the wants and needs of the client.
- Considering the entire scope of retirement income.
- Create an awareness of potential opportunities and pitfalls in claiming.
- Consideration of the entire family unit.

THE “BREAKEVEN” ANALYSIS

65-year old man today can expect to live, on average, to age **84**.

65-year old woman today can expect to live, on average, to age **87**.

Practical Implications:

- Typically only considers a single life expectancy.
- Doesn't factor in the cumulative lifetime of a married couple.
- Survivor income may be compromised if both lives aren't considered.
- Particularly impactful with a disparity of income benefits.

A CLOSER LOOK

A closer look at the Breakeven Analysis in consideration of a 65-year old couple:

	Hypothetical Male	Hypothetical Female
Date of Birth	7/1/1954	7/1/1954
Nearest Age	65	65
Illustration Age	65	65
Gender	Male	Female
Do You Smoke?	No	No
General Health	Average	Average

Age	Hypothetical Male	Hypothetical Female
65	100%	100%
70	93%	95%
75	83%	89%
80	71%	79%
85	54%	65%
90	35%	46%
95	16%	25%
100	5%	10%

Source: American Academy of Actuaries - Actuaries Longevity Illustrator: www.longevityillustrator.org

For financial professional use only. Not for use with consumers.

HYPOTHETICAL EXAMPLE

HYPOTHETICAL COUPLE

Jack, age 62, and Jane, age 59

- Jack's PIA at age 66 and 6 months = \$2,640, expects to live to age 75
- Jane's PIA at age 67 = \$1,200, expects average longevity of 87



👤 Jack is 62 👤 Jane is 59

Jack's monthly benefit at full retirement age (FRA) \$2,640

Jane's monthly benefit at full retirement age \$1,200

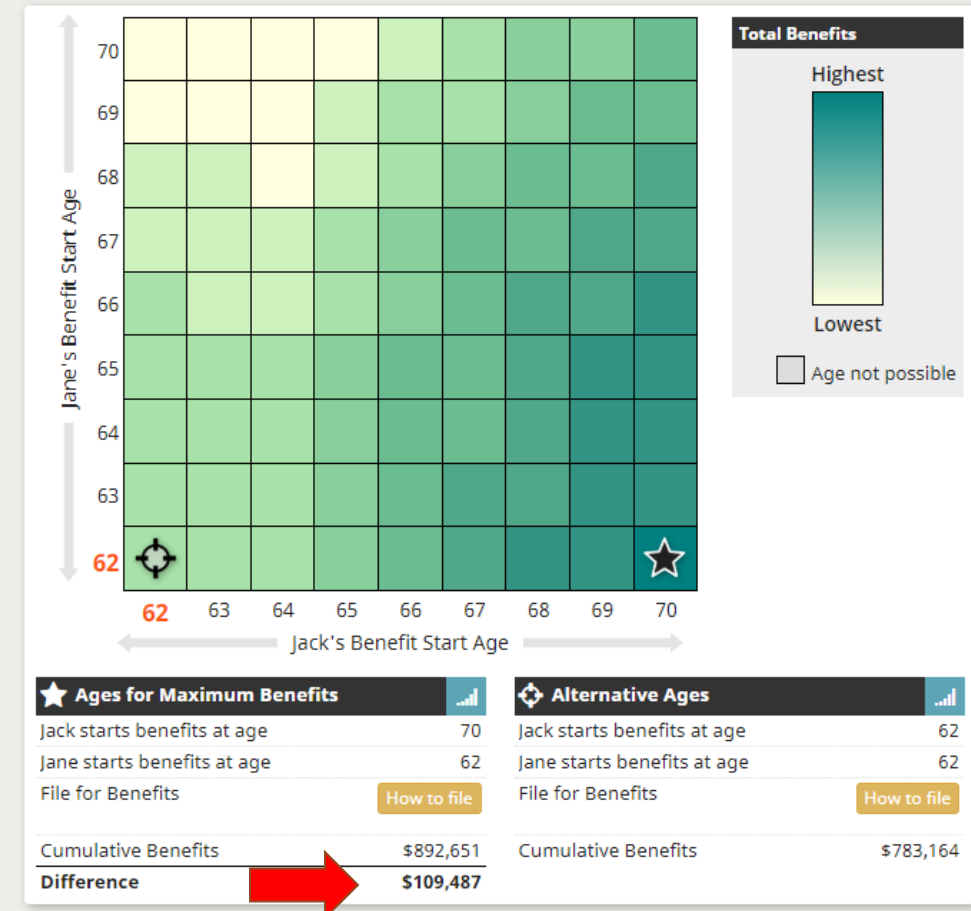
Jack lives to: 75
70 80 85 90 95 100

Jane lives to: 87
70 75 80 85 90 95 100

Rate of return/discount rate: 0.0%
1% 2% 3% 4% 5% 6% 7% 8%

Social Security cost of living adjustment: 0.0%
1% 2% 3% 4% 5% 6%

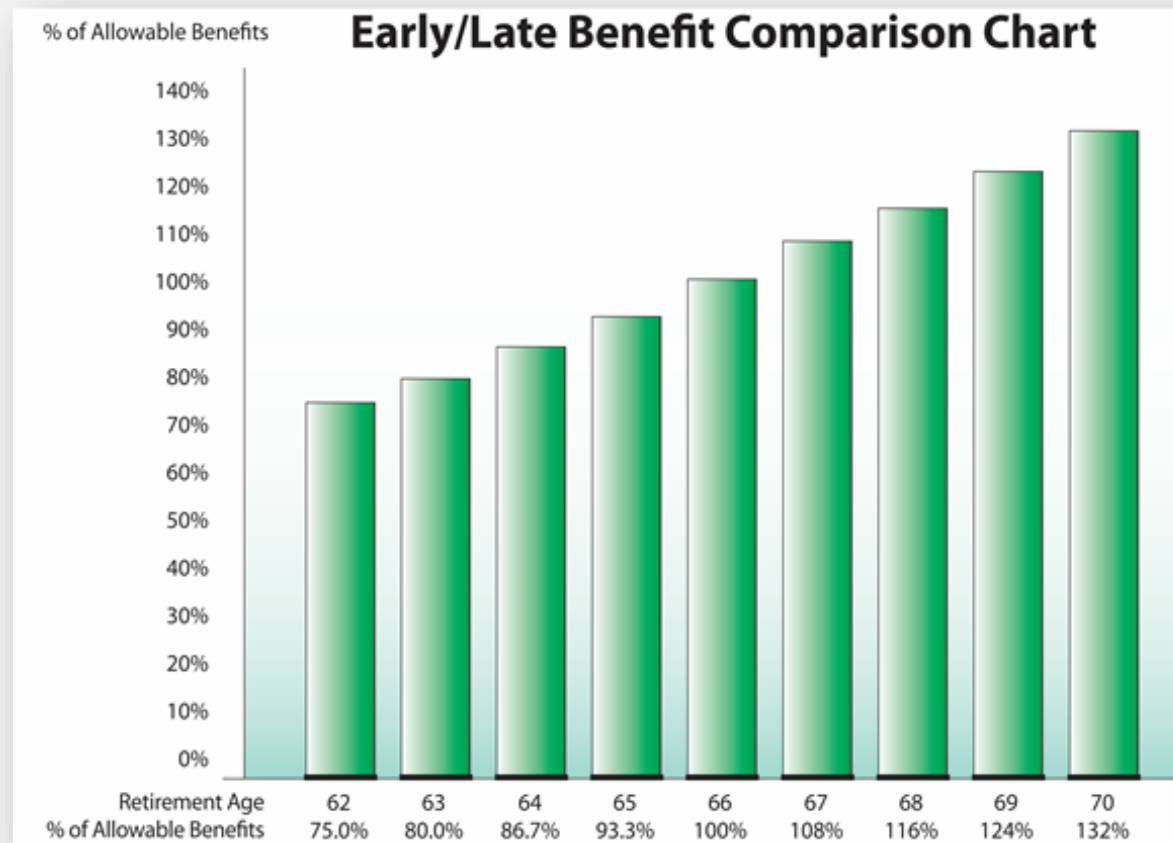
If you continue working after your Social Security benefits start, benefits may be reduced prior to full retirement age.



RETIREMENT DATE = CLAIM DATE

Understanding the Effect of the Claiming Age

- ✓ Reduction is generally a permanent one.
- ✓ Critical questions to ask:
 - ✓ Are you still working?
 - ✓ Is your spouse working?
 - ✓ Are you the high wage earner?



CONSIDERING THE EARNED INCOME LIMIT

If the claimant is under FRA and is still working, the earned income limit applies.

Age in 2018	Impact of earnings on benefits
Between age 62 and full retirement age	Benefit is reduced by \$1 for every \$2 over \$17,040
In the year of FRA up to the month of FRA	Benefit is reduced by \$1 for every \$3 over \$45,360
FRA and older	No limit on earnings

Benefits previously withheld due to excess income will be returned in the form of a recalculation of the benefit at FRA to account for the missed months of benefits.

HYPOTHETICAL EXAMPLE – APPLYING THE EARNED INCOME LIMIT

Hypothetical Example:

Patricia, Age 63

PIA = \$2,195/month

Earnings = \$28,000

Annual Benefit at FRA

\$26,340

Reduced Age 63 Benefit

\$21,072 (\$1756/mo)

2019 – Jane Earns

\$28,000

Annual Limit is

(\$17,640)

Excess Earnings

\$10,360

Benefit reduced by $\frac{1}{2}$ of excess

$\$10,360/2 = \$5,180^*$

Annual Benefit Adjusted to

$\$21,072 - \$5,180 = \text{\textcolor{red}{\$15,892}}$

* Benefits will be withheld for first 3 months ($\$5,180/\$1,756 = 2.94$ months)



FILLING THE INCOME GAP – THE DEFER, DEDUCT, DELAY APPROACH

SOCIAL SECURITY AND TAXES

- As much as 85% of the benefit may be subject to taxes - if combined income exceeds certain thresholds.
- **Combined Income** = *Adjusted Gross Income + Nontaxable Interest + ½ Social Security benefits*

Calculating your Social Security income tax

Provisional income amounts for:		Then:
Married, filing jointly*	Other taxpayers	
\$32,000 or less	\$25,000	Social Security income is tax free
\$32,001 to \$44,000	\$25,001 to \$34,000	Up to 50% of Social Security income is taxable
More than \$44,000	More than \$34,000	Up to 85% of Social Security income is taxable

*If you are married, filing separately and do not live apart from your spouse at all times during the taxable year, up to 85% of your Social Security income is taxable.

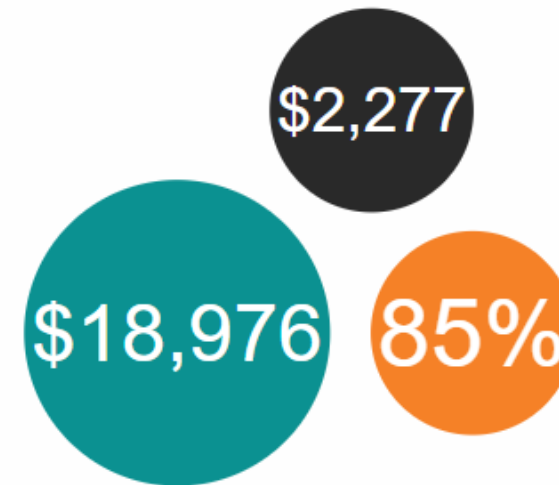
HYPOTHETICAL EXAMPLE – HOW TAXES AFFECT THE BENEFIT

- Couple, MFJ, 12% Tax Bracket
- Annual SS Benefits: \$22,325
- Other taxable income: \$55,000
- Provisional Income = \$67,412

Income and Tax Information	Calculating 'Modified' Adjusted Gross Income	Social Security Benefits
Long-term capital gains/losses (-) (\$)	Short-term capital gains/losses (-) (\$)	
<input type="text" value="0"/>	<input type="text" value="0"/>	
Dividends (\$)	Taxable interest (\$)	
<input type="text" value="0"/>	<input type="text" value="1,250"/>	
Tax-free interest (\$)	Pension benefits (\$)	
<input type="text" value="0"/>	<input type="text" value="0"/>	
Taxable IRA distributions (\$)	Other taxable income (\$)	
<input type="text" value="23,000"/>	<input type="text" value="0"/>	
Wages (\$)	Self-employed income/loss (-) (\$)	
<input type="text" value="32,000"/>	<input type="text" value="0"/>	

Results

Based on the worksheet provided in the most recent IRS Publication 915, your Social Security benefit(s) of \$22,325 will be 85% taxable increasing your taxable income by \$18,976 and creating a federal income tax liability of \$2,277.



■ Taxable SS benefit ■ Percent taxable ■ Taxes due

<https://www.calcxml.com/calculators/how-much-of-my-social-security-benefit-may-be-taxed>

PRACTICAL CONSIDERATIONS

➤ The potential effect of RMDs:

- Social Security taxation on a portion of the benefit
- Higher Medicare premiums for Parts A and B

➤ Potential tax-mitigating solutions:

- Consider diversifying assets
- Roth Conversions
- Tax Free income from life insurance
- QCDs
- Consider using qualified assets to bridge income to allow for delayed filing for larger benefit later

TOP MISCONCEPTION BY CONSUMERS AND FINANCIAL PROFESSIONALS: STRATEGIES NO MORE

1. **Filing a Restricted Application:** Entitled to both a retirement benefit and a spousal (or ex-spousal) benefit. File for spousal benefit first and then switch to greater retirement benefit as late as age 70.
 - **Requirements:**
 - Born prior to January 2, 1954
 - Must wait until FRA to file a restricted application
 - Worker must have already filed or filed and suspended prior to April 29, 2016.
2. **Honorable Mention:**
 - The overlooked coordination of survivor benefits and retirement benefits.

HYPOTHETICAL EXAMPLE: RESTRICTED APPLICATION

- Frank, age 66 and Jill, age 62
- Frank's PIA = \$2,430
- Jill's PIA = \$1,685
- Assume average longevity for both and 0% COLA
- Ready to file now

Comparison of the Suggested Filing Method

		FRANK FILES RESTRICTED, JILL FILES				FILE FOR BENEFITS			
Year	Ages ¹	Frank's Benefit	Jill's Benefit	Annual Total	Cumulative Lifetime Benefits	Frank's Benefit	Jill's Benefit	Annual Total	Cumulative Lifetime Benefits
2019	66/62	4,215	6,145	10,360	10,360	14,580	6,145	20,725	20,725
2020	67/63	10,116	14,748	24,864	35,224	29,160	14,748	43,908	64,633
2021	68/64	10,116	14,748	24,864	60,088	29,160	14,748	43,908	108,541
2022	69/65	10,116	14,748	24,864	84,952	29,160	14,748	43,908	152,449
2023	70/66	24,306	14,748	39,054	124,006	29,160	14,748	43,908	196,357
2024	71/67	38,496	14,748	53,244	177,250	29,160	14,748	43,908	240,265
2025	72/68	38,496	14,748	53,244	230,494	29,160	14,748	43,908	284,173
2026	73/69	38,496	14,748	53,244	283,738	29,160	14,748	43,908	328,081
2027	74/70	38,496	14,748	53,244	336,982	29,160	14,748	43,908	371,989
2028	75/71	38,496	14,748	53,244	390,226	29,160	14,748	43,908	415,897
2029	76/72	38,496	14,748	53,244	443,470	29,160	14,748	43,908	459,805
2030	77/73	38,496	14,748	53,244	496,714	29,160	14,748	43,908	503,713
2031	78/74	38,496	14,748	53,244	549,958	29,160	14,748	43,908	547,621
2032	79/75	38,496	14,748	53,244	603,202	29,160	14,748	43,908	591,529
2033	80/76	38,496	14,748	53,244	656,446	29,160	14,748	43,908	635,437
2034	81/77	38,496	14,748	53,244	709,690	29,160	14,748	43,908	679,345
2035	82/78	38,496	14,748	53,244	762,934	29,160	14,748	43,908	723,253
2036	83/79	38,496	14,748	53,244	816,178	29,160	14,748	43,908	767,161
2037	80	0	38,496	38,496	854,674	0	29,160	29,160	796,321
2038	81	0	38,496	38,496	893,170	0	29,160	29,160	825,481
2039	82	0	38,496	38,496	931,666	0	29,160	29,160	854,641
2040	83	0	38,496	38,496	970,162	0	29,160	29,160	883,801
2041	84	0	38,496	38,496	1,008,658	0	29,160	29,160	912,961
2042	85	0	38,496	38,496	1,047,154	0	29,160	29,160	942,121
2043	86	0	38,496	38,496	1,085,650	0	29,160	29,160	971,281

Difference of **\$114,369** in cumulative lifetime benefits

HYPOTHETICAL EXAMPLE: COORDINATION OF SURVIVOR AND RETIREMENT BENEFITS

- Sarah, age 64, recently widowed
- Sarah's PIA = \$2,250
- Survivor benefit = \$2500
- Assume average longevity for Sarah and 0% COLA



Comparison of the Suggested Filing Method

Year	Age	FILE RESTRICTED APPLICATION		FILE FOR BENEFITS	
		Your Benefit	Cumulative Lifetime Benefits	Your Benefit	Cumulative Lifetime Benefits
2019	64	13,572	13,572	13,572	13,572
2020	65	27,144	40,716	27,144	40,716
2021	66	27,144	67,860	27,144	67,860
2022	67	27,144	95,004	27,144	95,004
2023	68	27,144	122,148	27,144	122,148
2024	69	27,144	149,292	27,144	149,292
2025	70	31,212	180,504	27,144	176,436
2026	71	35,280	215,784	27,144	203,580
2027	72	35,280	251,064	27,144	230,724
2028	73	35,280	286,344	27,144	257,868
2029	74	35,280	321,624	27,144	285,012
2030	75	35,280	356,904	27,144	312,156
2031	76	35,280	392,184	27,144	339,300
2032	77	35,280	427,464	27,144	366,444
2033	78	35,280	462,744	27,144	393,588
2034	79	35,280	498,024	27,144	420,732
2035	80	35,280	533,304	27,144	447,876
2036	81	35,280	568,584	27,144	475,020
2037	82	35,280	603,864	27,144	502,164
2038	83	35,280	639,144	27,144	529,308
2039	84	35,280	674,424	27,144	556,452
2040	85	35,280	709,704	27,144	583,596
2041	86	35,280	744,984	27,144	610,740

Difference of **\$134,244** in cumulative lifetime benefits

CASE STUDY #1: STEVE AND ROBIN

Retirement Income Plan

Name: Steve
Spouse: Robin

Age: 67
Age: 52

Retirement Income Plan Assumptions:

Phase 1:

For Years 1 Through: 17

Annual Income Needed: \$90,000

Cost of Living Adjustment: 1.80%

Phase 2:

Desired Change in Income: -15.00%

Income Type	Income Amount	Annual Increase	Transfer Option	Start Year	End Year
Steve's Social Security	\$2,764	2%		1	17
Robin's Social Security	\$1,004	2%		11	17
Robin's Survivor Social Security	\$3,870	2%		18	39
Practice Income Savings	\$4,736	0%		1	1
F&G Life Income	\$1,810	0%		2	39
American Equity Income	\$1,810	0%		2	39
Voya Managed Account	\$1,610	0%		2	4
Voya Managed Account	\$1,900	0%		5	27
Voya Managed Account	\$2,200	0%		28	29
Voya Managed Account	\$2,750	0%		30	39

CASE STUDY #1: STEVE AND ROBIN

👤 Steve is 67 👤 Robin is 52

Steve's current monthly benefit?

At what age did Steve start benefits?

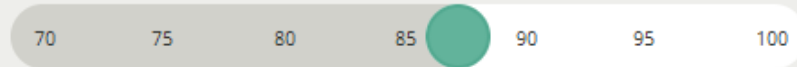
Steve's monthly benefit at full retirement age (FRA)

Robin's monthly benefit at full retirement age

Steve lives to: 84



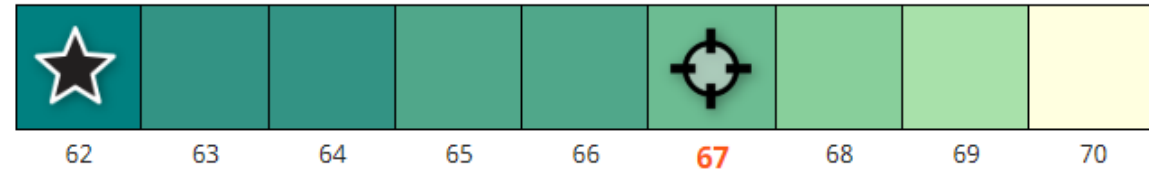
Robin lives to: 87



Rate of return/discount rate: 0.0%



Social Security cost of living adjustment: 2.0%



← Robin's Benefit Start Age →

Total Benefits

Lowest



Highest

☐ Age not possible

★ **Age for Maximum Benefits**

Robin starts benefits at age

File for Benefits

[How to file](#)

Cumulative Benefits

Difference

✚ **Alternative Age**

Robin starts benefits at age

File for Benefits

[How to file](#)

Cumulative Benefits

CASE STUDY #1: STEVE AND ROBIN

Name: Steve Age: 67
Spouse: Robin Age: 52

Year	Client Age	Spouse Age	Guaranteed			Non-Guaranteed				Total Mo Gross Income	Annual Gross Income	Annual Gross Income Desired
			Steve's Social Security	Robin's Social Security	Robin's Survivor Social Security	Practice Income Savings	F&G Life Income	American Equity Income	Voya Managed Account			
1	67	52	\$2,764			\$4,736				\$7,500	\$90,000	\$90,000
2	68	53	\$2,819				\$1,810	\$1,810	\$1,610	\$8,049	\$96,588	\$91,620
3	69	54	\$2,875				\$1,810	\$1,810	\$1,610	\$8,105	\$97,260	\$93,269
4	70	55	\$2,933				\$1,810	\$1,810	\$1,610	\$8,163	\$97,956	\$94,948
5	71	56	\$2,992				\$1,810	\$1,810	\$1,900	\$8,512	\$102,144	\$96,657
6	72	57	\$3,052				\$1,810	\$1,810	\$1,900	\$8,572	\$102,864	\$98,397
7	73	58	\$3,113				\$1,810	\$1,810	\$1,900	\$8,633	\$103,596	\$100,168
8	74	59	\$3,175				\$1,810	\$1,810	\$1,900	\$8,695	\$104,340	\$101,971
9	75	60	\$3,239				\$1,810	\$1,810	\$1,900	\$8,759	\$105,108	\$103,806
10	76	61	\$3,304				\$1,810	\$1,810	\$1,900	\$8,824	\$105,888	\$105,675
11	77	62	\$3,370	\$1,004			\$1,810	\$1,810	\$1,900	\$9,894	\$118,728	\$107,577
12	78	63	\$3,437	\$1,024			\$1,810	\$1,810	\$1,900	\$9,981	\$119,772	\$109,513
13	79	64	\$3,506	\$1,044			\$1,810	\$1,810	\$1,900	\$10,070	\$120,840	\$111,484
14	80	65	\$3,576	\$1,065			\$1,810	\$1,810	\$1,900	\$10,161	\$121,932	\$113,491
15	81	66	\$3,648	\$1,086			\$1,810	\$1,810	\$1,900	\$10,254	\$123,048	\$115,534
16	82	67	\$3,721	\$1,108			\$1,810	\$1,810	\$1,900	\$10,349	\$124,188	\$117,614
17	83	68	\$3,795	\$1,130			\$1,810	\$1,810	\$1,900	\$10,445	\$125,340	\$119,731
18	84	69			\$3,870		\$1,810	\$1,810	\$1,900	\$9,390	\$112,680	\$103,603
19	85	70			\$3,947		\$1,810	\$1,810	\$1,900	\$9,467	\$113,604	\$105,468
20	86	71			\$4,026		\$1,810	\$1,810	\$1,900	\$9,546	\$114,552	\$107,366
21	87	72			\$4,107		\$1,810	\$1,810	\$1,900	\$9,627	\$115,524	\$109,299
22	88	73			\$4,189		\$1,810	\$1,810	\$1,900	\$9,709	\$116,508	\$111,266
23	89	74			\$4,273		\$1,810	\$1,810	\$1,900	\$9,793	\$117,516	\$113,269
24	90	75			\$4,358		\$1,810	\$1,810	\$1,900	\$9,878	\$118,536	\$115,308
25	91	76			\$4,445		\$1,810	\$1,810	\$1,900	\$9,965	\$119,580	\$117,384

Name: Steve Age: 67
Spouse: Robin Age: 52

Year	Client Age	Spouse Age	Guaranteed			Non-Guaranteed				Total Mo Gross Income	Annual Gross Income	Annual Gross Income Desired
			Steve's Social Security	Robin's Social Security	Robin's Survivor Social Security	Practice Income Savings	F&G Life Income	American Equity Income	Voya Managed Account			
26	92	77			\$4,534		\$1,810	\$1,810	\$1,900	\$10,054	\$120,648	\$119,497
27	93	78			\$4,625		\$1,810	\$1,810	\$1,900	\$10,145	\$121,740	\$121,648
28	94	79			\$4,718		\$1,810	\$1,810	\$2,200	\$10,538	\$126,456	\$123,838
29	95	80			\$4,812		\$1,810	\$1,810	\$2,200	\$10,632	\$127,584	\$126,067
30	96	81			\$4,908		\$1,810	\$1,810	\$2,750	\$11,278	\$135,336	\$128,336
31	97	82			\$5,006		\$1,810	\$1,810	\$2,750	\$11,376	\$136,512	\$130,646
32	98	83			\$5,106		\$1,810	\$1,810	\$2,750	\$11,476	\$137,712	\$132,998
33	99	84			\$5,208		\$1,810	\$1,810	\$2,750	\$11,578	\$138,936	\$135,392
34	100	85			\$5,312		\$1,810	\$1,810	\$2,750	\$11,682	\$140,184	\$137,829
35	101	86			\$5,418		\$1,810	\$1,810	\$2,750	\$11,788	\$141,456	\$140,310
36	102	87			\$5,526		\$1,810	\$1,810	\$2,750	\$11,896	\$142,752	\$142,836
37	103	88			\$5,637		\$1,810	\$1,810	\$2,750	\$12,007	\$144,084	\$145,407
38	104	89			\$5,750		\$1,810	\$1,810	\$2,750	\$12,120	\$145,440	\$148,024
39	105	90			\$5,865		\$1,810	\$1,810	\$2,750	\$12,235	\$146,820	\$150,688

CASE STUDY #2: RANDY AND LAURIE

Retirement Income Plan

Name: Randy

Age: 59

Spouse: Laurie

Age: 58

Retirement Income Plan Assumptions:

Phase 1:

Phase 2:

For Years 1 Through: 26

Desired Change in Income: -15.00%

Annual Income Needed:
\$117,000

Cost of Living Adjustment: 1.80%

Income Type	Income Amount	Annual Increase	Transfer Option	Start Year	End Year
Randy & Laurie's Income	\$15,610	0%		1	2
Voya Financial	\$1,400	0%		8	42
Randy's Pension	\$5,818	0%		3	42
Voya Financial	\$4,300	0%		3	3
Randy's Social Security	\$761	2%		4	4
Voya Financial	\$3,708	0%		4	4
Randy's Social Security	\$2,329	2%		5	26
Laurie's Social Security	\$1,097	2%		5	26
F&G & American Equity Income	\$2,821	0%		5	42
Laurie's Social Security	\$4,135	2%		27	42

RMD column data

Column Nbr	Birth Month	Value	Bonus	Rate of Return
------------	-------------	-------	-------	----------------

CASE STUDY #2: RANDY AND LAURIE

👤 Randy is 59 👤 Laurie is 58

Randy's monthly benefit at full retirement age (FRA)

\$3,055

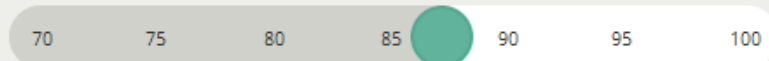
Laurie's monthly benefit at full retirement age

\$1,571

Randy lives to: 84



Laurie lives to: 87



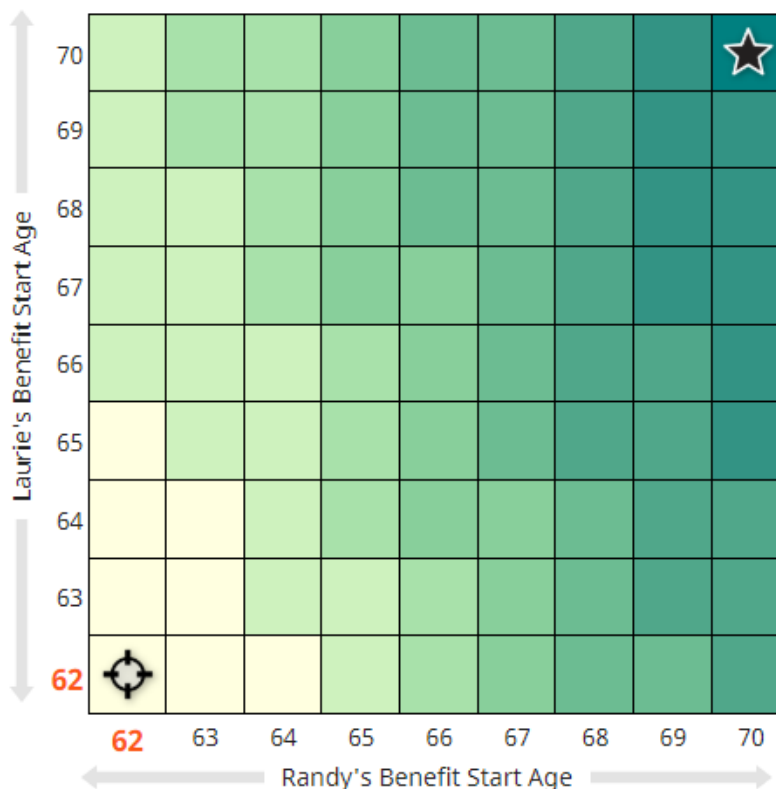
Rate of return/discount rate: 0.0%



Social Security cost of living adjustment: 2.0%



If you continue working after your Social Security benefits start, benefits may be reduced prior to full retirement age.



Total Benefits

Highest

Lowest

Age not possible

★ Ages for Maximum Benefits

Randy starts benefits at age 70

Laurie starts benefits at age 70

File for Benefits [How to file](#)

Cumulative Benefits \$1,533,354

Difference \$282,603

🎯 Alternative Ages

Randy starts benefits at age 62

Laurie starts benefits at age 62

File for Benefits [How to file](#)

Cumulative Benefits \$1,250,751

CASE STUDY #2: RANDY AND LAURIE

Name: Randy
Spouse: Laurie

Age: 59
Age: 58

			Guaranteed					Non-Guaranteed					
Year	Client Age	Spouse Age	Randy's Pension	Randy's Social Security	Randy's Social Security	Laurie's Social Security	Laurie's Social Security	Randy & Laurie's Income	Voya Financial	F&G & American Equity Income	Total Mo Gross Income	Annual Gross Income	Annual Gross Income Desired
1	59	58						\$15,610			\$15,610	\$187,320	\$117,000
2	60	59						\$15,610			\$15,610	\$187,320	\$119,106
3	61	60	\$5,818						\$4,300		\$10,118	\$121,416	\$121,250
4	62	61	\$5,818	\$761					\$3,708		\$10,287	\$123,444	\$123,433
5	63	62	\$5,818		\$2,329	\$1,097				\$2,821	\$12,065	\$144,780	\$125,655
6	64	63	\$5,818		\$2,376	\$1,119				\$2,821	\$12,134	\$145,608	\$127,917
7	65	64	\$5,818		\$2,424	\$1,141				\$2,821	\$12,204	\$146,448	\$130,220
8	66	65	\$5,818		\$2,472	\$1,164			\$1,400	\$2,821	\$13,675	\$164,100	\$132,564
9	67	66	\$5,818		\$2,521	\$1,187			\$1,400	\$2,821	\$13,747	\$164,964	\$134,950
10	68	67	\$5,818		\$2,571	\$1,211			\$1,400	\$2,821	\$13,821	\$165,852	\$137,379
11	69	68	\$5,818		\$2,622	\$1,235			\$1,400	\$2,821	\$13,896	\$166,752	\$139,852
12	70	69	\$5,818		\$2,674	\$1,260			\$1,400	\$2,821	\$13,973	\$167,676	\$142,369
13	71	70	\$5,818		\$2,727	\$1,285			\$1,400	\$2,821	\$14,051	\$168,612	\$144,932
14	72	71	\$5,818		\$2,782	\$1,311			\$1,400	\$2,821	\$14,132	\$169,584	\$147,541
15	73	72	\$5,818		\$2,838	\$1,337			\$1,400	\$2,821	\$14,214	\$170,568	\$150,197
16	74	73	\$5,818		\$2,895	\$1,364			\$1,400	\$2,821	\$14,298	\$171,576	\$152,901
17	75	74	\$5,818		\$2,953	\$1,391			\$1,400	\$2,821	\$14,383	\$172,596	\$155,653
18	76	75	\$5,818		\$3,012	\$1,419			\$1,400	\$2,821	\$14,470	\$173,640	\$158,455
19	77	76	\$5,818		\$3,072	\$1,447			\$1,400	\$2,821	\$14,558	\$174,696	\$161,307
20	78	77	\$5,818		\$3,133	\$1,476			\$1,400	\$2,821	\$14,648	\$175,776	\$164,211
21	79	78	\$5,818		\$3,196	\$1,506			\$1,400	\$2,821	\$14,741	\$176,892	\$167,167
22	80	79	\$5,818		\$3,260	\$1,536			\$1,400	\$2,821	\$14,835	\$178,020	\$170,176
23	81	80	\$5,818		\$3,325	\$1,567			\$1,400	\$2,821	\$14,931	\$179,172	\$173,239
24	82	81	\$5,818		\$3,392	\$1,598			\$1,400	\$2,821	\$15,029	\$180,348	\$176,357
25	83	82	\$5,818		\$3,460	\$1,630			\$1,400	\$2,821	\$15,129	\$181,548	\$179,531

Name: Randy
Spouse: Laurie

Age: 59
Age: 58

			Guaranteed					Non-Guaranteed					
Year	Client Age	Spouse Age	Randy's Pension	Randy's Social Security	Randy's Social Security	Laurie's Social Security	Laurie's Social Security	Randy & Laurie's Income	Voya Financial	F&G & American Equity Income	Total Mo Gross Income	Annual Gross Income	Annual Gross Income Desired
26	84	83	\$5,818		\$3,529	\$1,663			\$1,400	\$2,821	\$15,231	\$182,772	\$182,763
27	85	84	\$5,818				\$4,135		\$1,400	\$2,821	\$14,174	\$170,088	\$158,145
28	86	85	\$5,818				\$4,218		\$1,400	\$2,821	\$14,257	\$171,084	\$160,992
29	87	86	\$5,818				\$4,302		\$1,400	\$2,821	\$14,341	\$172,092	\$163,890
30	88	87	\$5,818				\$4,388		\$1,400	\$2,821	\$14,427	\$173,124	\$166,840
31	89	88	\$5,818				\$4,476		\$1,400	\$2,821	\$14,515	\$174,180	\$169,843
32	90	89	\$5,818				\$4,566		\$1,400	\$2,821	\$14,605	\$175,260	\$172,900
33	91	90	\$5,818				\$4,657		\$1,400	\$2,821	\$14,696	\$176,352	\$176,012
34	92	91	\$5,818				\$4,750		\$1,400	\$2,821	\$14,789	\$177,468	\$179,180
35	93	92	\$5,818				\$4,845		\$1,400	\$2,821	\$14,884	\$178,608	\$182,405
36	94	93	\$5,818				\$4,942		\$1,400	\$2,821	\$14,981	\$179,772	\$185,688
37	95	94	\$5,818				\$5,041		\$1,400	\$2,821	\$15,080	\$180,960	\$189,030
38	96	95	\$5,818				\$5,142		\$1,400	\$2,821	\$15,181	\$182,172	\$192,433
39	97	96	\$5,818				\$5,245		\$1,400	\$2,821	\$15,284	\$183,408	\$195,897
40	98	97	\$5,818				\$5,350		\$1,400	\$2,821	\$15,389	\$184,668	\$199,423
41	99	98	\$5,818				\$5,457		\$1,400	\$2,821	\$15,496	\$185,952	\$203,013
42	100	99	\$5,818				\$5,566		\$1,400	\$2,821	\$15,605	\$187,260	\$206,667

CASE STUDY #3: STEVE AND ELLEN

Retirement Income Plan

Name: Steve

Age: 69

Spouse: Ellen

Age: 65

Retirement Income Plan Assumptions:

Phase 1:

Phase 2:

For Years 1 Through: 15

Desired Change in Income: -15.00%

Annual Income Needed: \$93,000

Cost of Living Adjustment: 1.80%

Income Type	Income Amount	Annual Increase	Transfer Option	Start Year	End Year
Steve's Social Security	\$3,380	2%		1	15
Ellen's Social Security	\$1,302	2%		1	15
Ellen's Social Security	\$4,549	2%		16	32
F&G Life Income	\$1,885	0%		1	15
American Equity Income	\$1,885	0%		1	15
F&G Life Income	\$2,500	0%		16	29
American Equity Income	\$2,500	0%		16	29
F&G Life Income	\$2,650	0%		30	32
American Equity Income	\$2,650	0%		30	32

CASE STUDY #3: STEVE AND ELLEN

Action Plan

For Steve starting benefits at age 69 and Ellen starting benefits at age 65

✓	WHEN	WHO	ACTION	NOTES
<input type="checkbox"/>	August 2022	Ellen	File for benefits.	Apply 3 months prior to date benefits would start. Application may be made any time during this month.
<input type="checkbox"/>	December 2022	Steve	File for benefits.	Apply 3 months prior to date benefits would start. Application may be made any time during this month. Ellen may apply for spousal benefits since Steve has filed for benefits.
<input type="checkbox"/>	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 July 19, 2019.

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

CASE STUDY #3: STEVE AND ELLEN

Name: Steve

Age: 69

Spouse: Ellen

Age: 65

Year	Client Age	Spouse Age	Guaranteed			Non-Guaranteed			Total Mo Gross Income	Annual Gross Income	Annual Gross Income Desired
			Steve's Social Security	Ellen's Social Security	Ellen's Social Security	F&G Life Income	American Equity Income				
1	69	65	\$3,380	\$1,302		\$1,885	\$1,885		\$8,452	\$101,424	\$93,000
2	70	66	\$3,448	\$1,328		\$1,885	\$1,885		\$8,546	\$102,552	\$94,674
3	71	67	\$3,517	\$1,355		\$1,885	\$1,885		\$8,642	\$103,704	\$96,378
4	72	68	\$3,587	\$1,382		\$1,885	\$1,885		\$8,739	\$104,868	\$98,113
5	73	69	\$3,659	\$1,410		\$1,885	\$1,885		\$8,839	\$106,068	\$99,879
6	74	70	\$3,732	\$1,438		\$1,885	\$1,885		\$8,940	\$107,280	\$101,677
7	75	71	\$3,807	\$1,467		\$1,885	\$1,885		\$9,044	\$108,528	\$103,507
8	76	72	\$3,883	\$1,496		\$1,885	\$1,885		\$9,149	\$109,788	\$105,370
9	77	73	\$3,961	\$1,526		\$1,885	\$1,885		\$9,257	\$111,084	\$107,267
10	78	74	\$4,040	\$1,557		\$1,885	\$1,885		\$9,367	\$112,404	\$109,198
11	79	75	\$4,121	\$1,588		\$1,885	\$1,885		\$9,479	\$113,748	\$111,164
12	80	76	\$4,203	\$1,620		\$1,885	\$1,885		\$9,593	\$115,116	\$113,165
13	81	77	\$4,287	\$1,652		\$1,885	\$1,885		\$9,709	\$116,508	\$115,202
14	82	78	\$4,373	\$1,685		\$1,885	\$1,885		\$9,828	\$117,936	\$117,276
15	83	79	\$4,460	\$1,719		\$1,885	\$1,885		\$9,949	\$119,388	\$119,387
16	84	80			\$4,549	\$2,500	\$2,500		\$9,549	\$114,588	\$103,306
17	85	81			\$4,640	\$2,500	\$2,500		\$9,640	\$115,680	\$105,166
18	86	82			\$4,733	\$2,500	\$2,500		\$9,733	\$116,796	\$107,059
19	87	83			\$4,828	\$2,500	\$2,500		\$9,828	\$117,936	\$108,986
20	88	84			\$4,925	\$2,500	\$2,500		\$9,925	\$119,100	\$110,948
21	89	85			\$5,024	\$2,500	\$2,500		\$10,024	\$120,288	\$112,945
22	90	86			\$5,124	\$2,500	\$2,500		\$10,124	\$121,488	\$114,978
23	91	87			\$5,226	\$2,500	\$2,500		\$10,226	\$122,712	\$117,048
24	92	88			\$5,331	\$2,500	\$2,500		\$10,331	\$123,972	\$119,155
25	93	89			\$5,438	\$2,500	\$2,500		\$10,438	\$125,256	\$121,300

Name: Steve

Age: 69

Spouse: Ellen

Age: 65

Year	Client Age	Spouse Age	Guaranteed			Non-Guaranteed			Total Mo Gross Income	Annual Gross Income	Annual Gross Income Desired
			Steve's Social Security	Ellen's Social Security	Ellen's Social Security	F&G Life Income	American Equity Income				
26	94	90			\$5,547	\$2,500	\$2,500		\$10,547	\$126,564	\$123,483
27	95	91			\$5,658	\$2,500	\$2,500		\$10,658	\$127,896	\$125,706
28	96	92			\$5,771	\$2,500	\$2,500		\$10,771	\$129,252	\$127,969
29	97	93			\$5,886	\$2,500	\$2,500		\$10,886	\$130,632	\$130,272
30	98	94			\$6,004	\$2,650	\$2,650		\$11,304	\$135,648	\$132,617
31	99	95			\$6,124	\$2,650	\$2,650		\$11,424	\$137,088	\$135,004
32	100	96			\$6,246	\$2,650	\$2,650		\$11,546	\$138,552	\$137,434



QUESTIONS?