




# Maximize Social Security in Your Retirement Strategy





**Interactive  
experience**

**Strategies,  
tools and tips**



# Key topics



**Explore the  
benefits of waiting to  
claim Social Security**



**Discuss  
strategies to create a  
comprehensive plan**



**Take the  
first step toward  
creating your plan**



# Which will contribute to your retirement income plan?



Pension



Social  
Security



IRA



Workplace  
Savings  
Plan



Health  
Savings  
Account



Employment  
Income



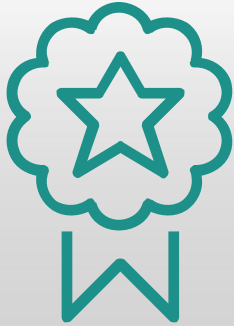
Real  
Estate



Other



**“How can I make my money last while covering my retirement expenses?”**



**Your Retirement Goals**



**Identify your retirement expenses**



**Make use of savings and income sources**

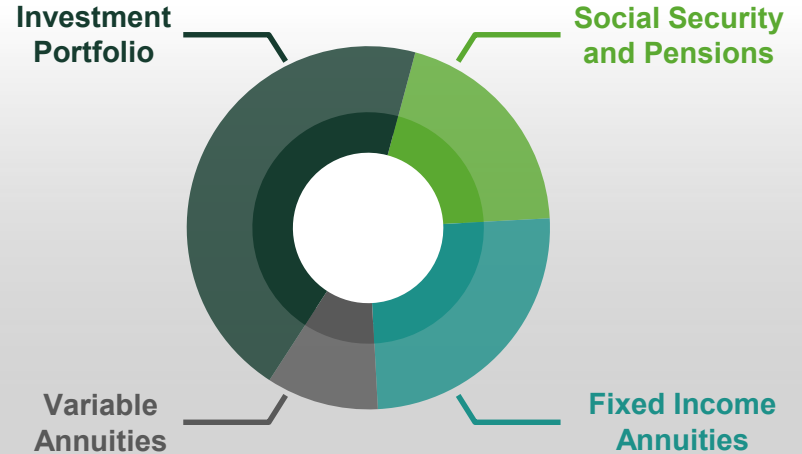
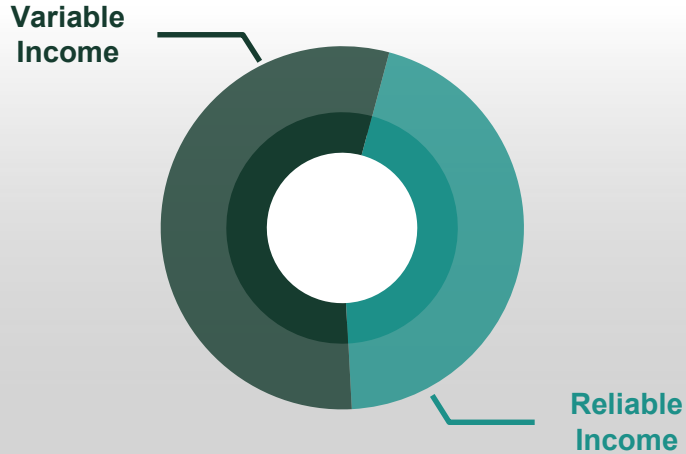


# Allocating your retirement paycheck





# Funding your retirement paycheck





## Social Security's Role in Your Retirement Strategy

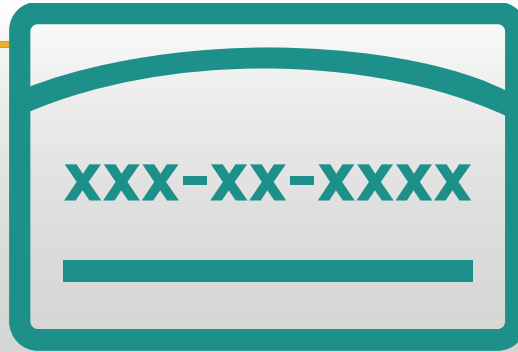






# What is Social Security?

Part of a government  
social welfare and  
insurance program



Pays benefits to  
retirees, disabled  
people, and survivors  
of deceased workers



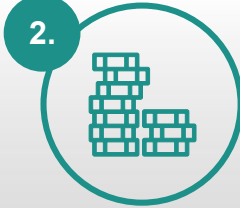
# Qualifying for Social Security

1.



You worked for a  
“covered” employer

2.



You earned at  
least 40 “credits”

3.



You are at least  
62 years old



# 1. You worked for a “covered” employer

A covered employer is one that pays Social Security taxes



You might be able to get some benefits if you didn't work for a covered employer



## 2. You earned at least 40 credits

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$$\begin{array}{ccccccc} 10 & \times & 4 & = & 40 \\ \text{YEARS} & & \text{CREDITS} & & \text{CREDITS} \end{array}$$

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QUALIFY FOR SOCIAL SECURITY

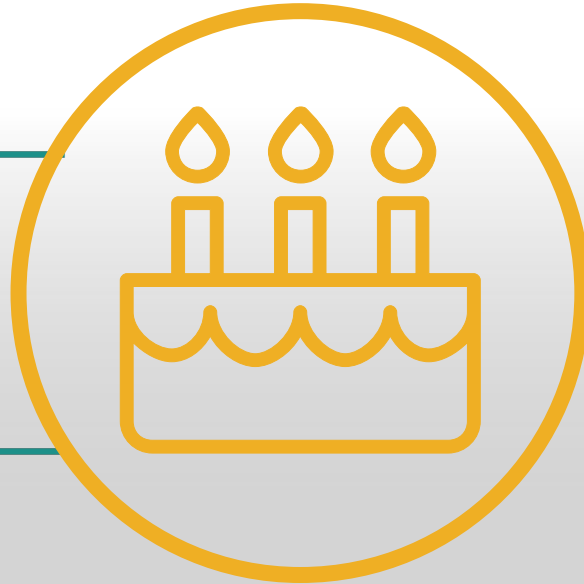




### 3. You are at least 62 years old

You must be at least 62 years old to start claiming benefits

Full Retirement Age (FRA) ranges from age 66 to 67



Waiting until age 70 yields the maximum benefit



# Full Retirement Age

If you were born in...	Your Full Retirement Age is...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years



## Why it's better to wait until Full Retirement Age



Your benefit is calculated based on your Full Retirement Age

62

Eligible to claim at age 62



Not waiting:  
Permanently reduced benefit amount



Waiting:  
Benefit increases each year until age 70



# Deciding when to claim







# Reasons to wait



**You are healthy**



**Have longevity in your family**



**Have additional income sources**



**Plan to continue working**



# Social Security as part of your retirement paycheck

- Investments
- Earned Income
- Other

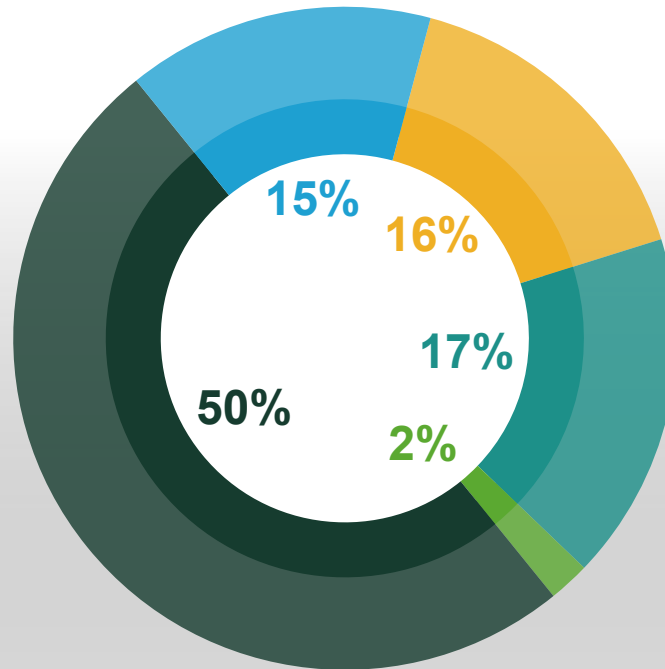
- Social Security
- Pension

Your Own Sources:

**67%**

Outside Sources:

**33%**



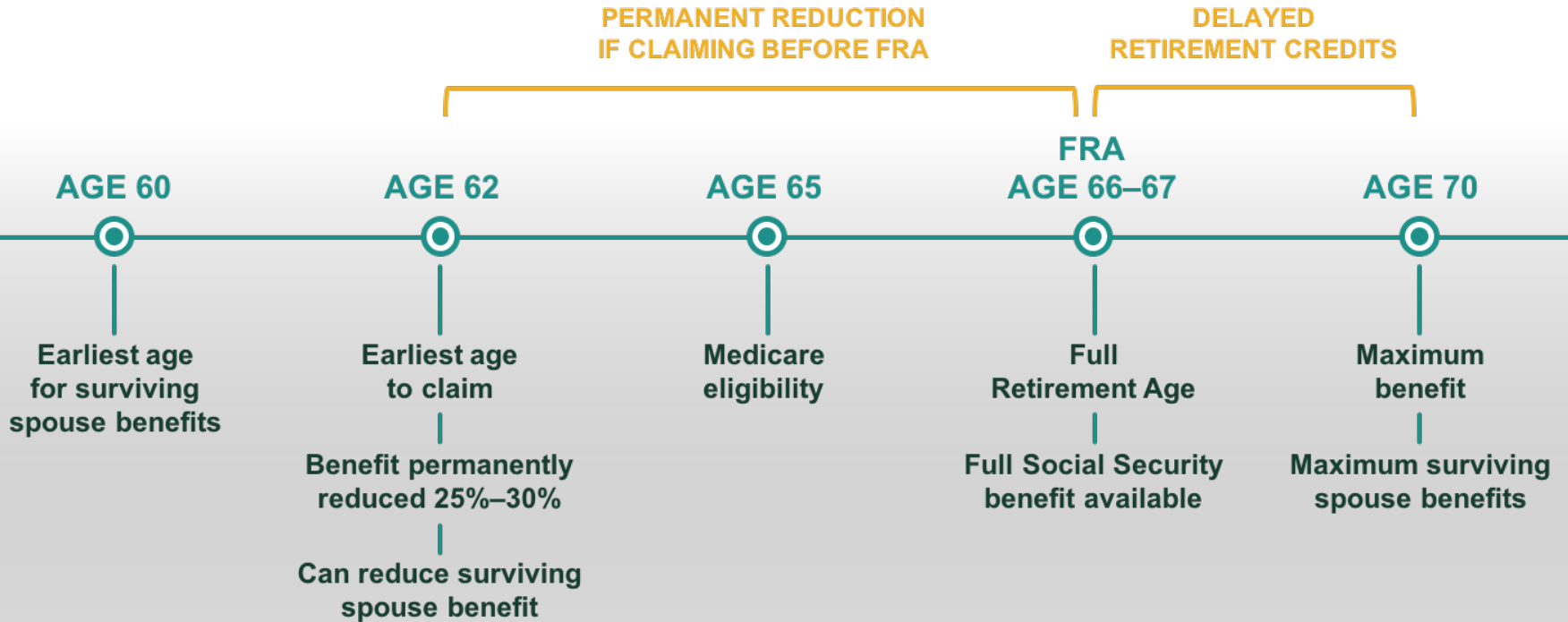


# Social Security interactive





# When to claim your benefit





# Claiming before Full Retirement Age

FULL RETIREMENT AGE OF 67

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AGE

BENEFITS %

**61**

**117.9%**

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## Waiting to claim



**JESSICA**

**\$1,200**

**AGE 62**

**\$1,600**

**AGE 66  
(Full Retirement Age)**

**\$2,112**

**AGE 70**

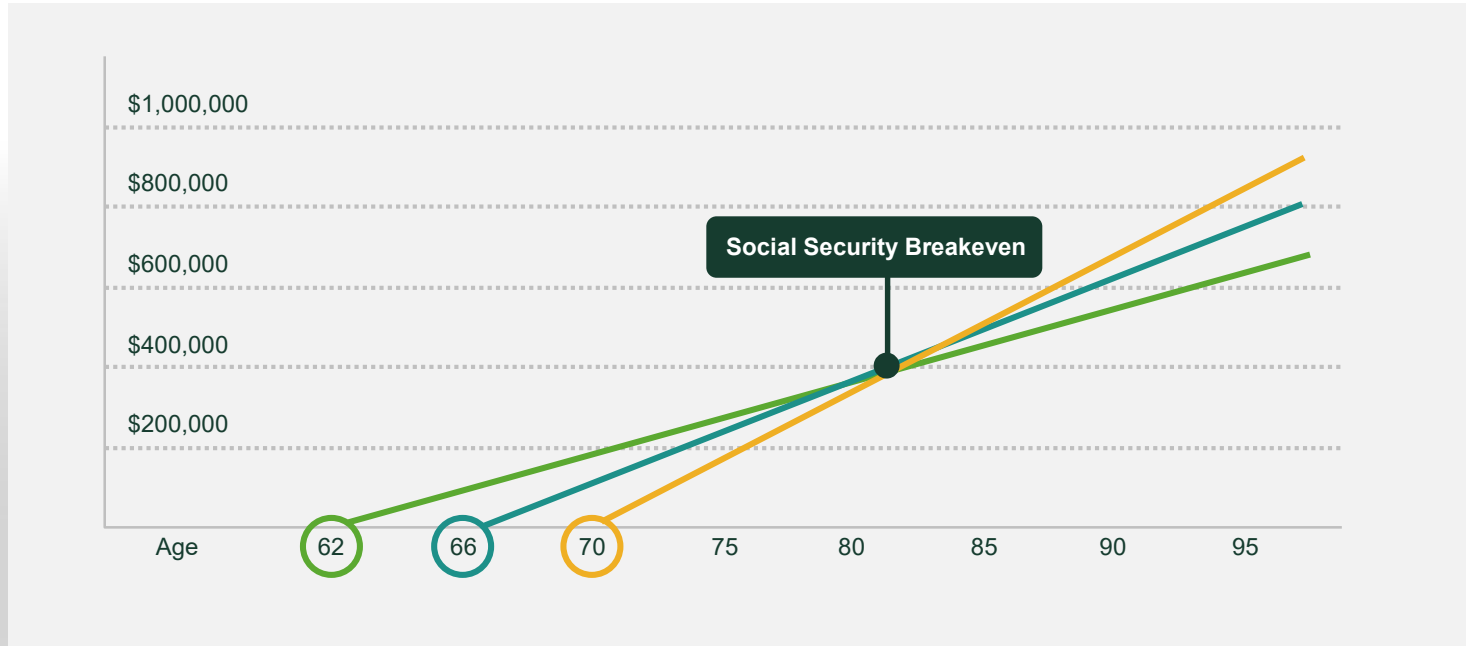
**AGE  
89**

**ADDITIONAL  
LIFETIME BENEFITS  
\$38,000**

All figures are in today's dollars and before tax; the actual benefit would be adjusted for inflation and would possibly be subject to income tax. The hypothetical examples were calculated by Strategic Advisers, Inc., based on Social Security payout tables, as of May 2014. Strategic Advisers, Inc., is a registered investment adviser and a Fidelity Investments company. Lifetime benefits are determined by calculating the present values of the Social Security payments over time. The present values are calculated by discounting the Social Security payouts by an inflation-adjusted rate of return. The illustrations use the historical average yield of U.S. 10-Year TIPS for discounting. All lifetime benefits are expressed in present values, calculated using an inflation-adjusted discount rate and life expectancy of 89. The numbers are sensitive to, and would change with, the discount rate and the expectancy assumptions.



# Your break-even age



Source: ssa.gov.

Based on information input to Social Security Quick Calculator for an individual turning 62 in 2016 with earnings of at least \$118,500. **This hypothetical example is for illustrative purposes only. It is not intended to predict or project your Social Security breakeven age.**



# Ways to claim Social Security



**Your own  
work record**



**A spouse's work  
record (current or  
ex-spouse)**



**A deceased spouse's  
work record (including  
ex-spouse)**





# Spousal benefit

**You have a work record and a spouse**

**Any additional spousal benefit is added on**

**Your benefit is paid first**

**If eligible for both, you'll receive the larger of the two**

**You do not have a work record, but your spouse does**

**Your benefit is based on your spouse's earning history**

**Your benefit will be reduced if you claim before your FRA. Your maximum spousal benefit is half of your spouse's total Social Security benefit.**



# Tips for couples

Similar ages  
and incomes



Delay claiming

Both planning  
shorter retirements



Claim earlier

Maximize the  
survivor benefit



Claim later



## Tips for couples

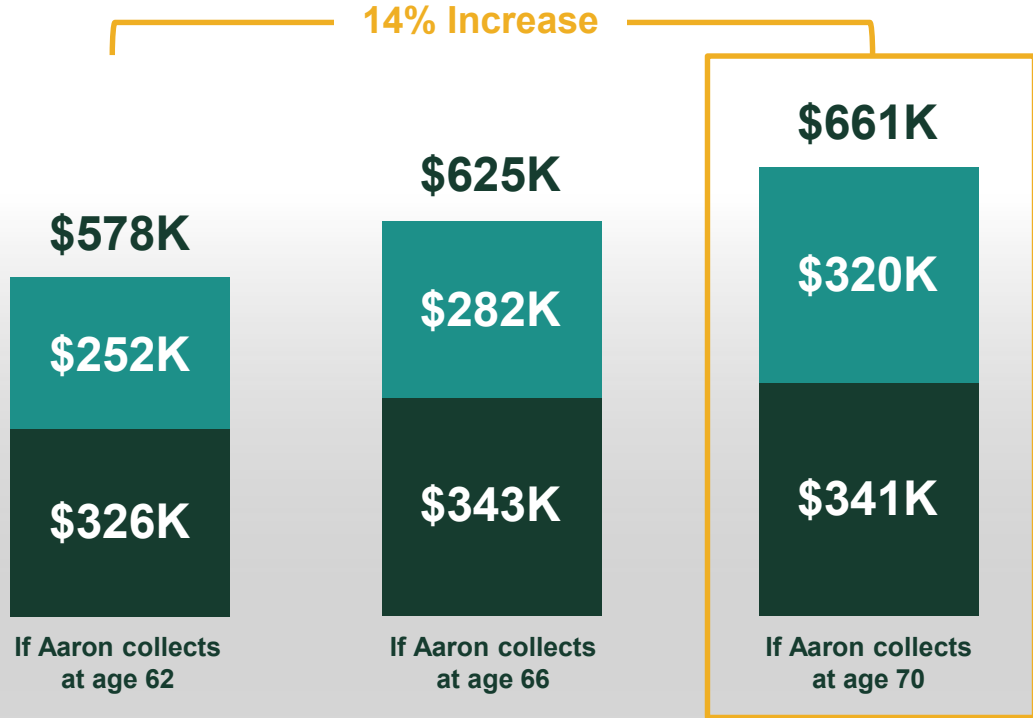


AARON



ELAINE

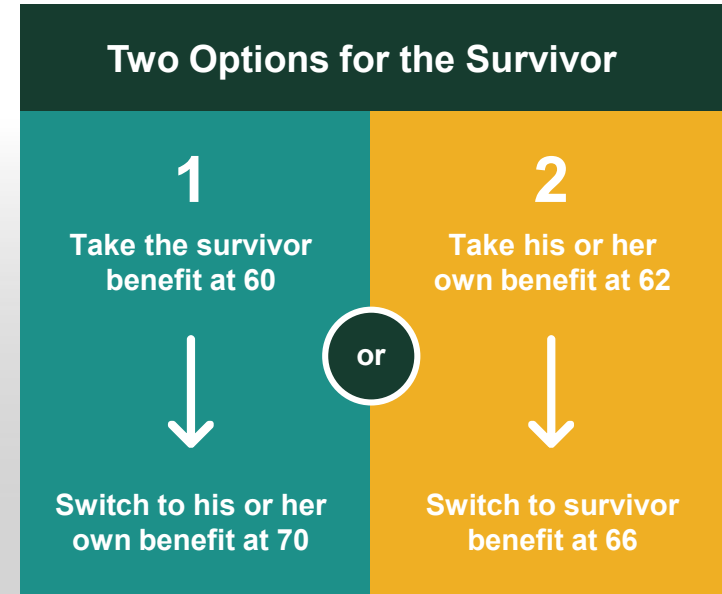
Waiting until age 70 would increase the couple's lifetime benefits and Elaine's survivor benefits—if she outlives Aaron.





# Survivor benefit

Widow(er) Claims Survivor Benefit At:	% of Deceased Spouse's Benefit:
Age 50–59 (only if disabled)	71.5%
60	71.5%
61	76.25%
62	81%
63	85.75%
64	90.5%
65	92.25%
66+	100%





# Divorce



62

You and your ex-spouse  
are age 62 or older



Marriage lasted at least  
10 continuous years



You have  
not remarried



# Advantages of working in retirement



**Keep building retirement savings**



**Contribute to a workplace savings plan**



**Make catch-up contributions**



**May increase Social Security benefit**



**Do you plan on working in retirement?**



**YES**

**OR**



**NO**



# Working in retirement



**Working temporarily reduces your benefit**



**Claiming early and working part-time hurts twice**



**Keeping earnings low can minimize benefit reduction**



**Understanding the benefit reduction rules**





# Tax considerations

## How working affects your benefit

Age	Benefit reduced
Younger than FRA	\$1 for every \$2 over income limit
Reach FRA during year	\$1 for every \$3 over income limit
Reach the month of FRA	No reduction

- A portion of your Social Security benefit might be taxable
- The higher your income, the more likely your benefit will be taxed

VIEW IRS.GOV FOR ANNUAL LIMITS

STRATEGY



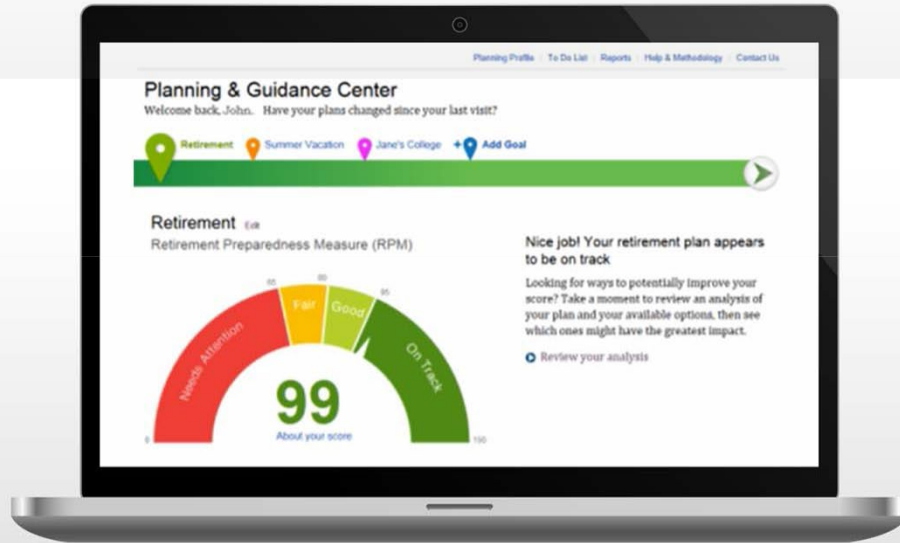
## Bridge strategy



STRATEGY



## Take the first step



Screenshot is for illustrative purposes only.

**IMPORTANT:** The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.



## Next steps



**Fidelity Representatives**



**Provide a comprehensive view of your retirement plan**



**Review and evaluate investment strategies**



**Are available for help; call 800.343.0860 or 800.603.4015**



## Next steps



**Visit  
[www.SSA.gov](http://www.SSA.gov)**

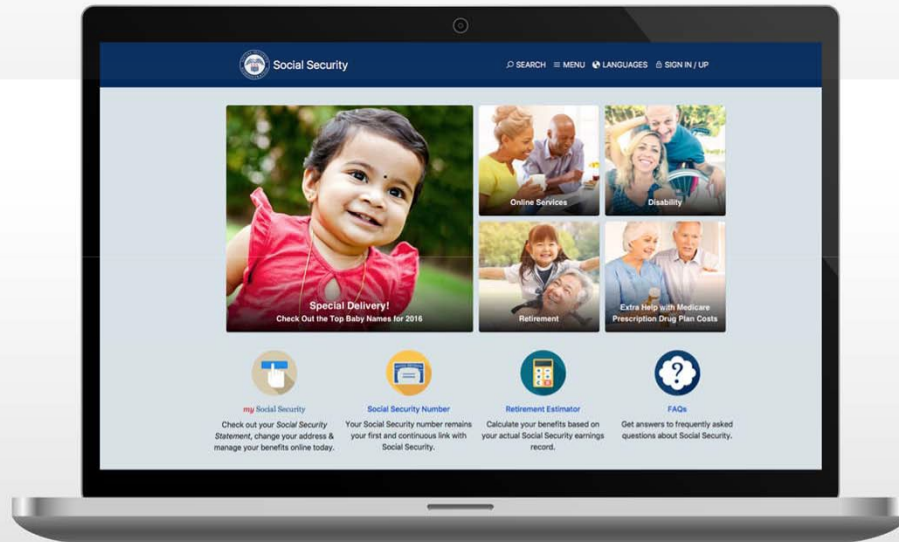


**Explore tools  
and resources**

STRATEGY



## Resources



Screenshot is for illustrative purposes only.

**Thank You!**

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Note: Anyone born in 1929 or later needs 10 years of work (40 credits) to be eligible for Social Security retirement benefits. People born before 1929 need fewer years of work. Contact the Social Security Administration for more details.

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