

WELCOME

Cris S. Giron
Financial Advisor

Legacy Financial Group
 9400 Holly Ave NE, Bldg. 4
 Albuquerque, NM 87122


505-839-0224 Office
 Cris.Giron@voyafa.com

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Social Security
 When Should You Start Receiving Retirement Benefits?



When Should You Start Receiving Retirement Benefits?


At your full retirement age?	Before your full retirement age?	After your full retirement age?
Age 66-67	As early as age 62	As late as age 70



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Why Is It an Important Decision?


- When you take benefits can significantly affect your overall retirement income
- If you're married, timing can also affect spousal/survivor's income



There's no one-size-fits-all answer. It's a personal decision.

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What Should You Consider?



- Your full retirement age and benefit calculation
- Amount of your future benefit and effect of early or delayed retirement
- How long you expect retirement to last based on life expectancy
- Whether you plan to continue working
- Other sources of retirement income
- Income taxes
- How spouse might be affected

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What Is Your Full Retirement Age?


Your full retirement age is the age at which you can receive a full (unreduced) Social Security retirement benefit.

If you were born in...	Your full retirement age is...
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

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How Is Your Benefit Calculated?

As you approach retirement age, your highest 35 years of earnings are indexed then averaged, and a formula is applied to determine your benefit at full retirement age.



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How Much You'll Receive: Taking Benefits Earlier




Age	Benefit
62	\$1,310
63	\$1,440
64	\$1,560
65	\$1,680
66	\$1,800

- Can start benefits as early as age 62
- Benefit reduction--you'll receive 25% to 30% less at 62 than at full retirement age
- Benefits received for a longer period of time

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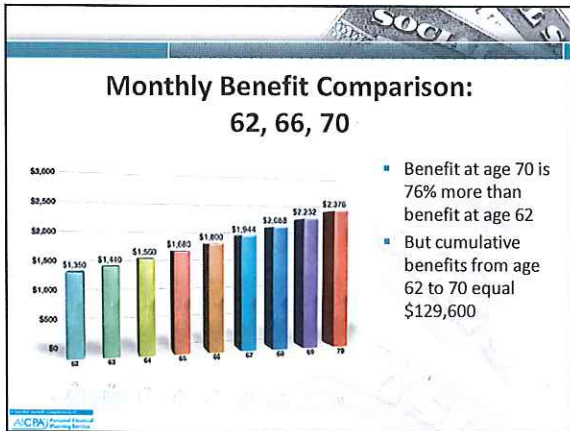
How Much You'll Receive: Taking Benefits Later



Age	Benefit
66	\$1,800
67	\$1,944
68	\$2,098
69	\$2,232
70	\$2,376

- You receive delayed retirement credits, up until age 70
- Benefit is increased 8% for each year you postpone receiving benefits past full retirement age

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How Long Will Retirement Last?

According to the SSA,** 1 out of 4 retirees will live past age 40 and 1 out of 10 will live past age 95.

** SSA website, socialsecurity.gov, November, 2016

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Do You Plan to Continue Working?

Are you under full retirement age?

Earnings from a job will reduce your Social Security benefit.

Have you reached full retirement age?

Earnings from a job will not reduce your Social Security benefit.

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How Working Affects Benefits

Before full retirement age	→	\$1 for every \$2 that earnings exceed annual limit—\$16,920 in 2017
Year you reach full retirement age	→	\$1 for every \$3 that earnings exceed annual limit—\$44,880 in 2017
At or after full retirement age	→	Earnings will not affect your benefit

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What Retirement Income Will You Have?

-  Social Security
-  Job Earnings
-  Pension Benefits
-  Savings and Investments

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Will Your Benefit Be Taxable?

Up to 50% of benefit may be taxable if your combined income* is:
\$25,000 to \$34,000 and you file as single
\$32,000 to \$44,000 and you file as married filing jointly
Up to 85% of benefit may be taxable if your combined income* is:
Over \$34,000 and you file as single
Over \$44,000 and you file as married filing jointly

*Combined income = adjusted gross income + nontaxable income + ½ of Social Security benefit income

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How Will Your Decision Affect Your Spouse?



- How can you maximize household income and survivor's income?
- What's the appropriate combination of claiming ages?

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Retirement/Spousal Benefits



- Retirement benefits based on your earnings record--at full retirement age 100% of your full retirement benefit
- Spousal benefits based on your earnings record--as much as 50% of your full retirement benefit
- Reduction for filing for spousal benefits early--spouse can't file until retired worker files

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Survivor's Benefits

- Surviving spouse generally receives the greater of the retirement benefit the worker was receiving or his or her own benefit
- Survivor's benefits may be payable as early as age 60, subject to reduction




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The Power of Delaying Benefits

	Monthly benefit at age 62	Monthly benefit at age 66	Monthly benefit at age 70
Spouse 1	\$1,700	\$2,325	\$3,154
Spouse 2	\$1,084	\$1,512	\$2,087
Total joint monthly income	\$2,784	\$3,837	\$5,241

- Monthly joint income is \$2,457 more if both spouses claim benefits at age 70 instead of at age 62
- Monthly survivor's benefit for Spouse 2 also increases




Restricted Application Strategy



- Potentially available to those who were born on or before January 1, 1954
- Allows you to collect spousal benefit, then later collect own worker benefit if certain requirements are met



Restricted Application Example




At age 66, Diane begins collecting retirement benefits based on her own record

↓

At age 66, Mike files a restricted application for spousal benefits based on Diane's record

↓

At age 70, Mike collects a larger retirement benefit based on his own record due to delayed retirement credits



The Choice Is Yours

You may decide to take benefits earlier if:

- You need Social Security income right away
- You want to invest your monthly benefit
- You want to delay having to take funds from other retirement vehicles
- Your spouse wants to delay taking benefits

You may decide to take benefits later if:

- You want a higher monthly retirement benefit
- You want to maximize survivor's income
- You plan to work longer
- You're able to file for spousal benefits first, then switch to your own benefit later

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Contact the Social Security Administration

- ✓ Get benefit estimates and a copy of your Social Security Statement from the Social Security website, socialsecurity.gov
- ✓ Contact the Social Security Administration to discuss your options at least 3 months before you reach age 62
- ✓ Apply online, by phone, or in person




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Questions?

Contact Me

Cris S. Giron
 Financial Advisor
 P: 505-839-0224
 E: cgiron@legacyfg.net



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