

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

SOCIAL SECURITY (Use It or You Could Lose It)

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How is your Social Security figured, 35 highest years (DOB after 1928)

- ▶ Adjust for inflation, relative to SS wage base that year
- ▶ Multiply by percentages by law
- ▶ Approx. 42% replacement for average earners
- ▶ Max out (\$168,400 in 2024)
- ▶ 7.65% (1.45% above wage base)

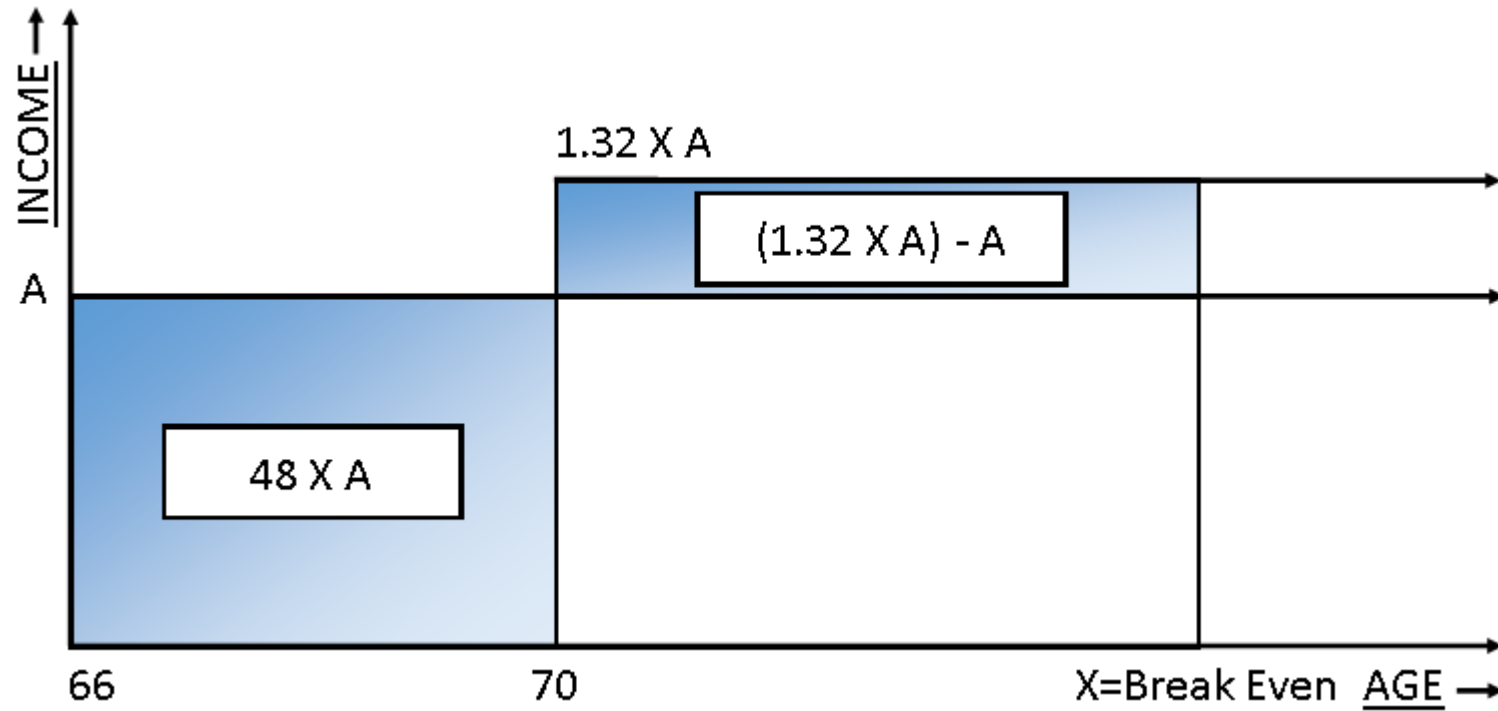
Full Benefits

- ▶ DOB 1943-54 Age 66 NRA
- ▶ DOB 1955-59 Age 66+ months NRA
- ▶ DOB 1960+ Age 67 (subject to change 😊)
- ▶ Early, age 62 $-6\frac{2}{3}\%$ per year or 33.3% reduction if 67 NRA
- ▶ Late, age 70 $+8\%$ per year after NRA or 24% increase if 67 NRA
- ▶ Approx \$3,400 Maximum all 35 years at NRA 2024
- ▶ Claim & suspend no longer valid

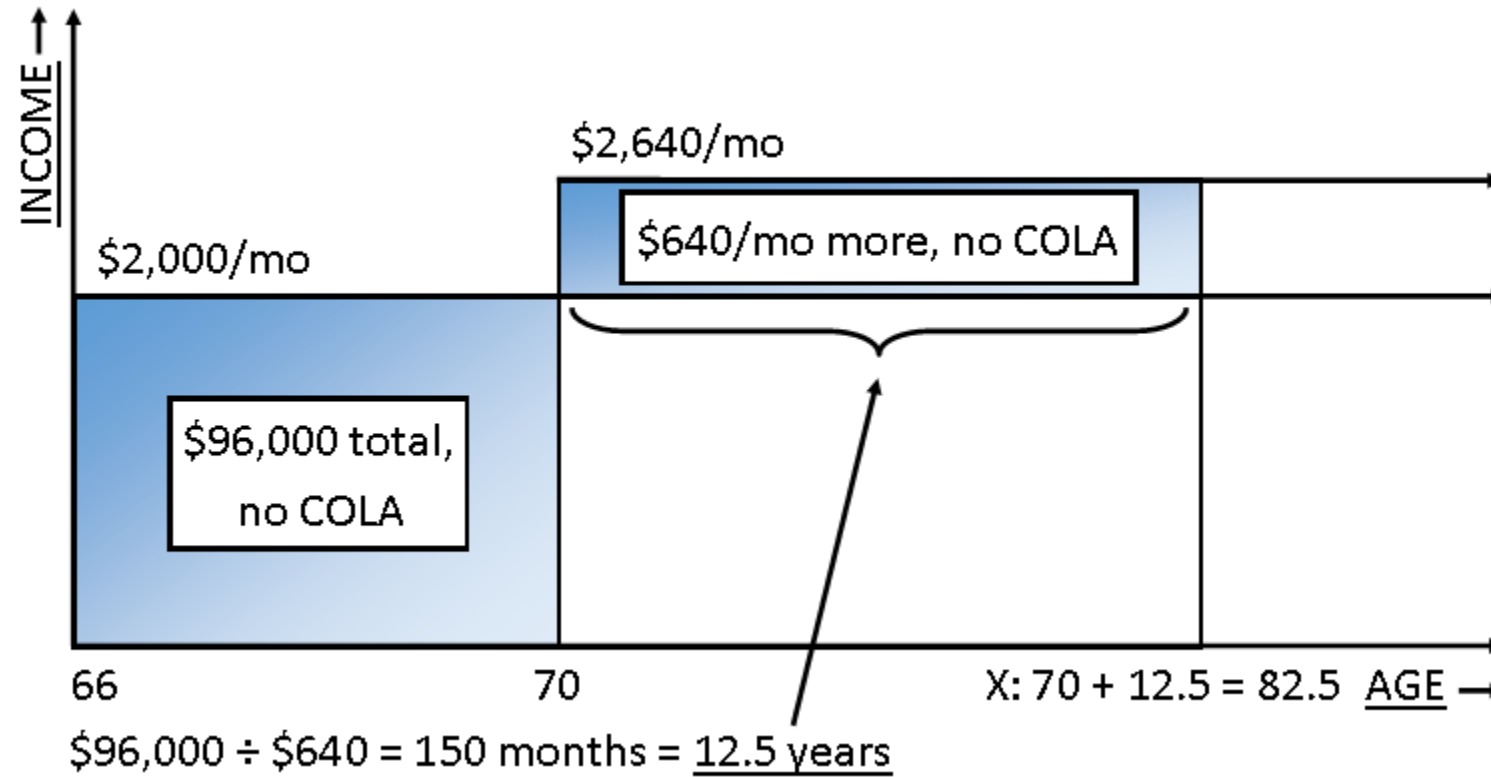
Graph: Draw early or late (see graph)

- ▶ Know how to calculate the “break even”
- ▶ Work on 5 problems with waiting

Break Even (The Math)



Break Even (Example)



Problems With Waiting (Even a year)

- ▶ Premature Death
- ▶ Time Value of Money
- ▶ COLA narrows the gap
- ▶ Invest and Annuitize with Estate
- ▶ QUALITY OF LIFE...66 to 80 or 70 to 84?

Working & Receiving Benefits

- ▶ \$1.00 reduction for every \$2.00 earned over \$22,320 in 2024
- ▶ Year of NRA \$1.00 for every \$3.00 earned over \$59,520 in 2024
- ▶ Not included in earned income: pensions, annuities, investment income, interest, social security benefits, veterans or government benefits, withdraws from IRAs or other qualified plans

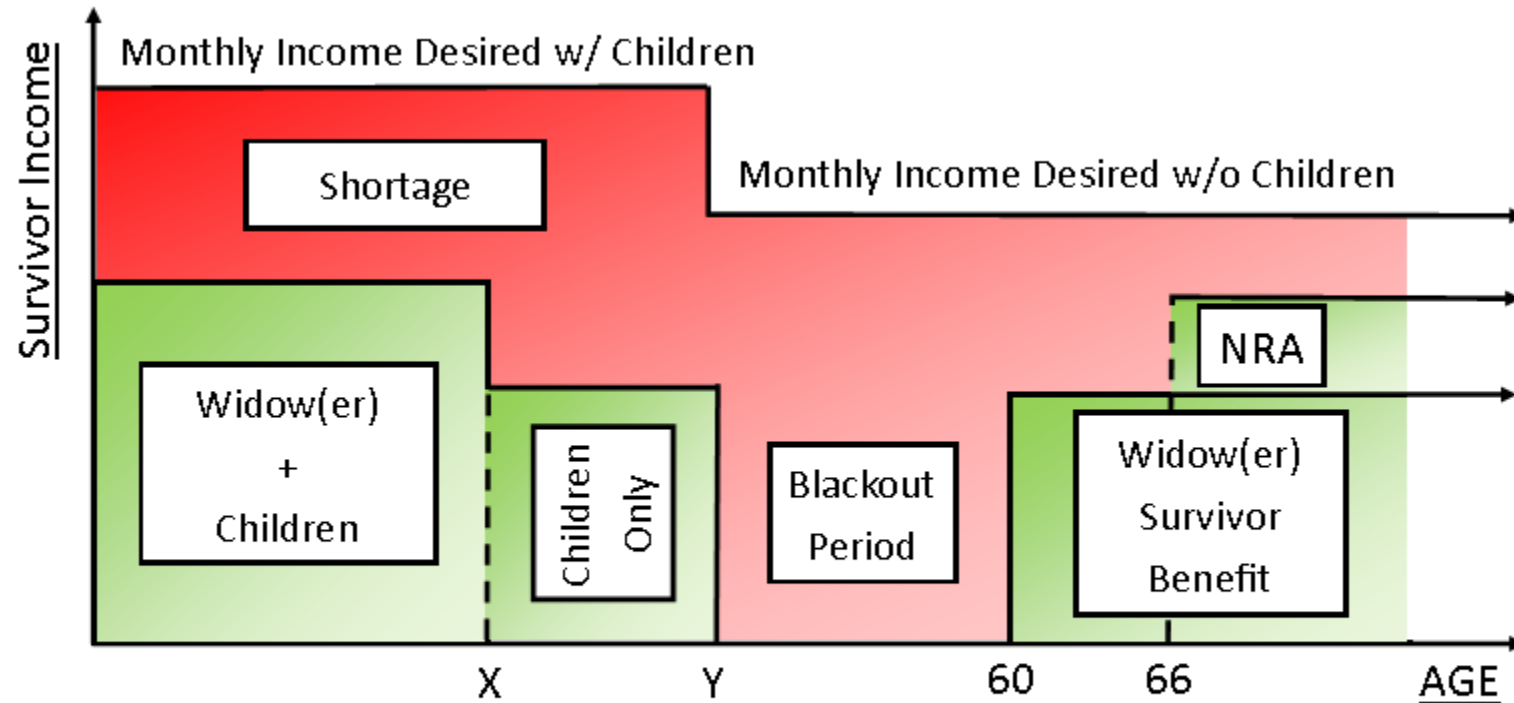
Taxation of Benefits

- ▶ Based of MAGI (AGI & add-ons, i.e. Muni Bonds)
- ▶ If single, \$25,000 - \$34,000, 50% taxed >\$34,000, 85% taxed
- ▶ If joint, \$32,000 - \$44,000, 50% taxed > \$44,000, 85% taxed
- ▶ Help clients with tax free income, only 2 more sources
- ▶ These limits haven't changes in over 20 years!

Survivor Benefit

- ▶ Survivor gets higher of the two checks, can start widow(er)s benefit at age 60, 10 years marriage vested
- ▶ Minor children paid to age 18 or high school grad, then blackout period, then age 60 (see graph)

Survivor Benefits—Graph



X = Youngest child reaches age 16, child only

Y = Youngest child reaches age 18 or graduates from high school

Spousal Benefit

- ▶ 50% of employee's NRA benefits of spouse at spouse's NRA
- ▶ 62 earliest, but reduced
- ▶ Highest benefit between two recipients with 10 years marriage vesting

More Information:

- ▶ SSA.gov (search for “limits”)
- ▶ jim@retirementnationwide.com

Q & A