VICTOR WEALTH

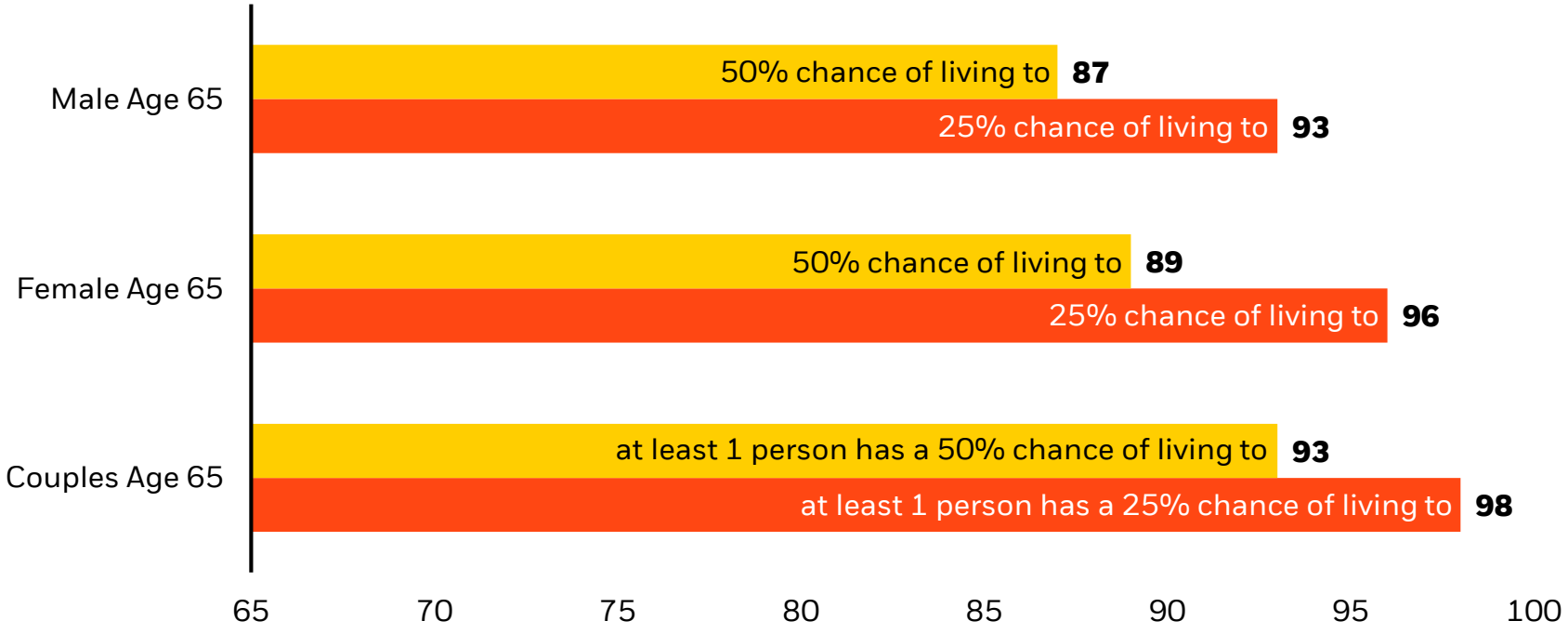
Securing Your Retirement

Transforming Social Security into a Winning Retirement Strategy

Living longer

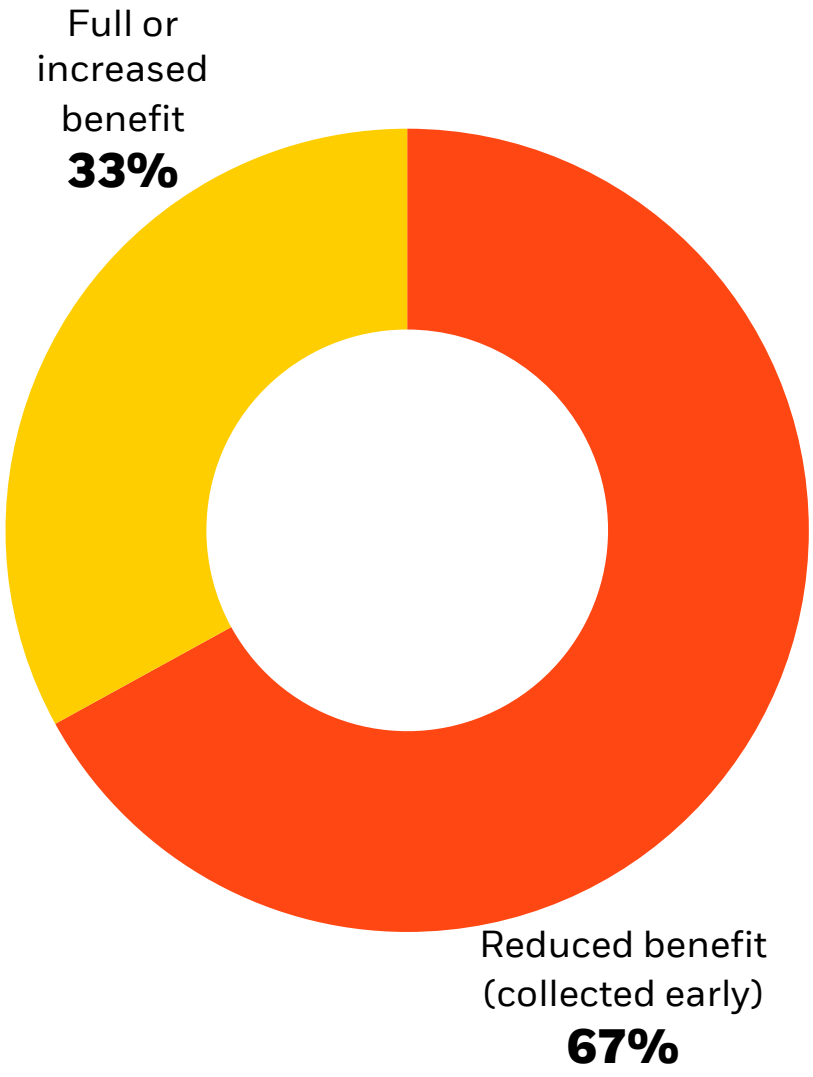
Life expectancy upon retirement at age 65

A healthy 65-year-old female has a 50% chance of living until age 89 (24 more years)



Source: Society of Actuaries' Annuity RP-2014 Total Healthy Annuitant rates, Scale MP-2014. Figures assume you are in good health.

But collecting early



Source: Social Security Administration's Annual statistical supplement, 2020.

Rules of retirement benefits

Individual benefits

Individual benefits

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1995	642	642
1996	1,640	1,640
1997	3,075	3,075
1998	5,439	5,439
1999	7,688	7,688
2000	9,764	9,764
2001	12,066	12,066
2002	15,217	15,217
2003	18,975	18,975
2004	22,539	22,539
2005	24,793	24,793
2006	28,049	28,049
2007	31,308	31,308
2008	33,800	33,800
2009	34,815	34,815
2010	36,968	36,968
2011	39,320	39,320
2012	41,659	41,659
2013	43,197	43,197
2014	45,660	45,660
2015	48,079	48,079
2016	49,370	49,370
2017	51,714	51,714
2018	Not yet recorded	

Best 35 Years

You and your family may be eligible for valuable benefits:

When you die, your family may be eligible to receive survivors benefits.

Social Security may help you if you become disabled—even at a young age.

A young person who has worked and paid Social Security taxes in as few as two years can be eligible for disability benefits.

Social Security credits you earn move with you from job to job throughout your career.

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:		Estimated taxes paid for Medicare:	
You paid:	$35,861	You paid:	$8,766
Your employers paid:	$37,480	Your employers paid:	$8,766

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to $132,900 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to $132,900 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than $200,000 ($250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we still were processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, **all** of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time) if any earnings for years **before last year** are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

3

Your Estimated Benefits

***Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until…

your full retirement age (67 years), your payment would be about ..... $ 1,903 a month

age 70, your payment would be about ..... $ 2,372 a month

age 62, your payment would be about ..... $ 1,311 a month

[illegible], your payment would be about ..... $ 1,718 a month

***Family**
***Survivors** If you get retirement or disability benefits, your spouse and children also may qualify for benefits.

You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:

Your child ..... $ 1,326 a month

Your spouse who is caring for your child ..... $ 1,326 a month

Your spouse, if benefits start at full retirement age ..... $ 1,768 a month

Total family benefits cannot be more than ..... $ 3,282 a month

Your spouse or minor child may be eligible for a special one-time death benefit of $255.

Medicare You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

* **Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2035, the payroll taxes collected will be enough to pay only about 80 percent of scheduled benefits.**

We based your benefit estimates on these facts:

Your date of birth (please verify your name on page 1 and this date of birth) ..... April 5, 1979

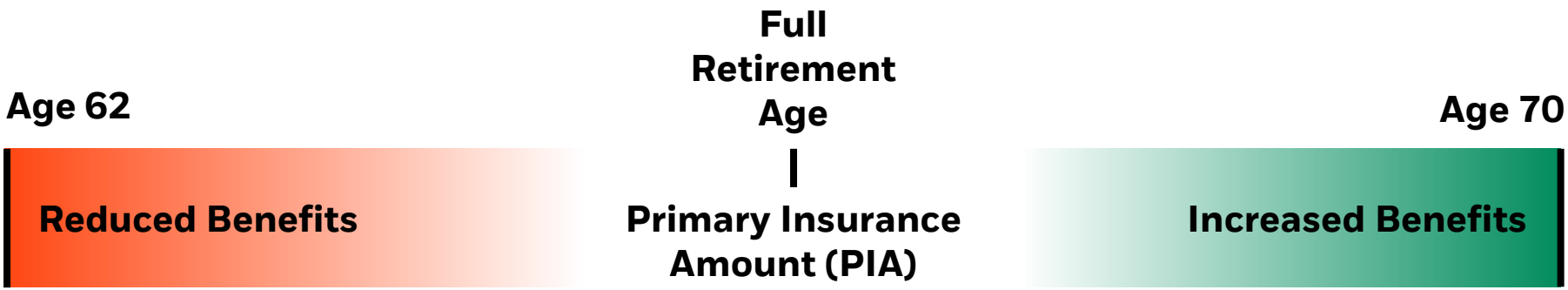
Your estimated taxable earnings per year after 2019 ..... $51,714

Your Social Security number (only the last four digits are shown to help prevent identity theft) XXX-XX-1234

www.ssa.gov

Source: Social Security Administration (www.ssa.gov).

The tradeoff for individual benefits



Full Retirement Age (FRA)

65 → **66** → **67**

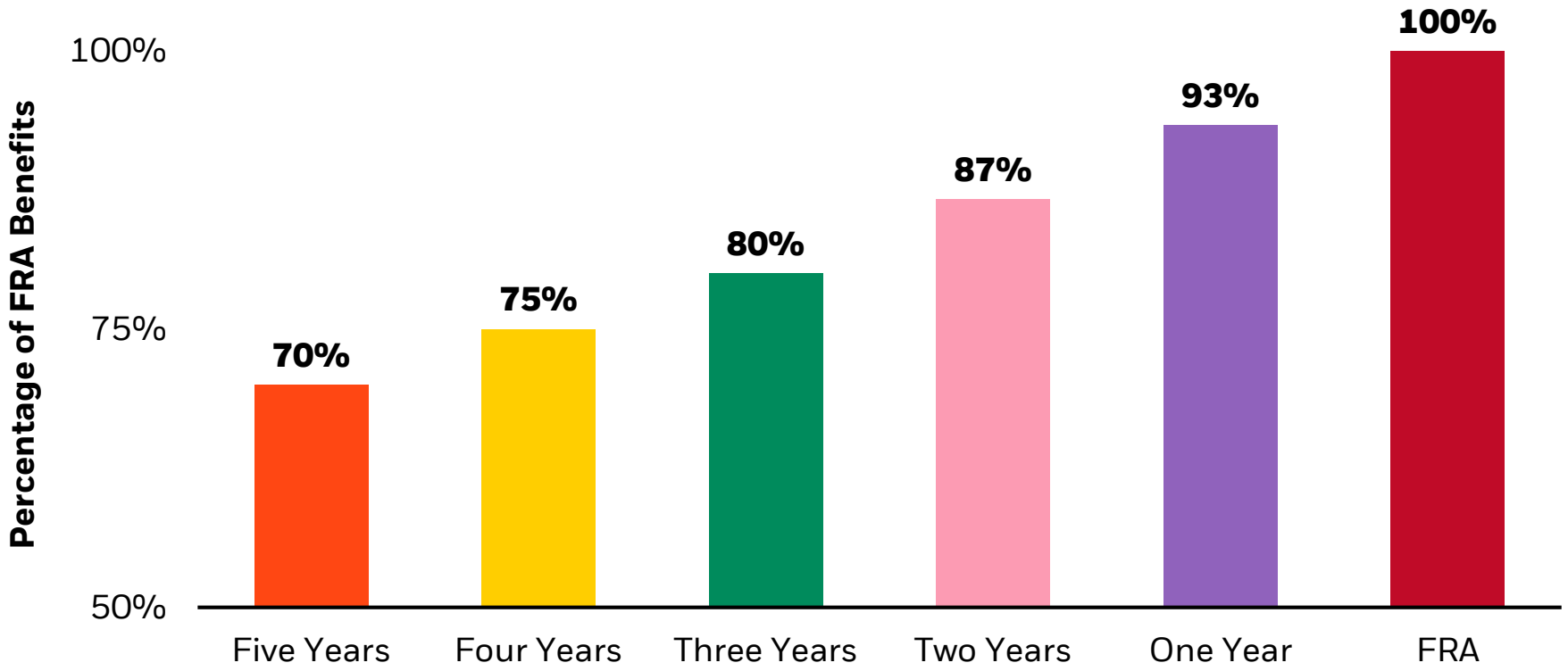
1937 or earlier

1943-1954

1960 and later

Source: Social Security Administration (www.ssa.gov).

Cost of collecting early



Source: Social Security Administration (www.ssa.gov).

Considerations for collecting early

Working

Longevity

Spouse

Continuing to work while collecting early

2021 retirement earnings limit

Applies to any retirement benefits collected before FRA. Earnings limit looks at wages only.

Your age	2021 limit	What happens above the limit
Under FRA	**$18,960**/year	**$1** of benefits withheld per **$2** of earnings above limit
Year reach FRA	**$50,520**/year	**$1** of benefits withheld per **$3** in earnings above limit for months prior to reaching FRA
Month reach FRA and beyond	None	Nothing

Source: Social Security Administration (www.ssa.gov).

Changing your mind

SOCIAL SECURITY ADMINISTRATION — TOE 420 — Form Approved OMB No. 0960-0015

REQUEST FOR WITHDRAWAL OF APPLICATION

Do not write in this space

IMPORTANT NOTICE.— This is a request to cancel your application. If it is approved, the decision we made on your application will have no legal effect, all rights attached to an application, including the rights of reconsideration, hearing, and appeal will be forfeited, and any payments we made to you or anyone else on the basis of that application will have to be returned. You must then reapply if you want a determination of your Social Security rights at any time in the future but any subsequent application may not involve the same retroactive period. This procedure is intended to be used only when your decision to file has resulted, or will result, in a disadvantage to you. Your local Social Security office will be glad to explain whether, and how, this procedure will help you.

NAME OF WAGE EARNER, SELF-EMPLOYED INDIVIDUAL, OR ELIGIBLE INDIVIDUAL | SOCIAL SECURITY NUMBER

PRINT YOUR NAME *(First name, middle initial, last name)* | DATE OF APPLICATION | TYPE OF BENEFIT

TYPE OF APPLICATION

I hereby request the withdrawal of my application, dated as above, for the reasons stated below. I understand that (1) this request may not be cancelled after 60 days from the mailing of notice of approval; and (2) if a determination of my entitlement has been made, there must be repayment of all benefits paid on the application I want withdrawn, and all other persons whose benefits would be affected must consent to this withdrawal. I further understand that the application withdrawn and all related material will remain a part of the records of the Social Security Administration and that this withdrawal will not affect the proper crediting of wages or self-employment income to my Social Security earnings record.

Give reason for withdrawal. *(If you need more space, use the reverse of this form.)*

1. ☐ I intend to continue working. (I have been advised of the alternatives to withdrawal for applicants under full retirement age and still wish to withdraw my application.)
2. ☐ Other (Please explain fully): _____

☐ Continued on reverse

SIGNATURE OF PERSON MAKING REQUEST

Signature *(First name, middle initial, last name) (Write in ink)* | Date *(Month, day, year)*

SIGN HERE ▶ | Telephone Number *(include area code)*

Mailing Address *(Number and Street, Apt. No., P.O. Box, or Rural Route)*

City and State | ZIP Code | Enter Name of County (if any) in which you now live

Witnesses are required ONLY if this request has been signed by mark (X) above. If signed by mark (X), two witnesses to the signing who know the person making the request must sign below, giving their full addresses.

1. Signature of Witness | 2. Signature of Witness

Address *(Number and Street, City, State and ZIP Code)* | Address *(Number and Street, City, State and ZIP Code)*

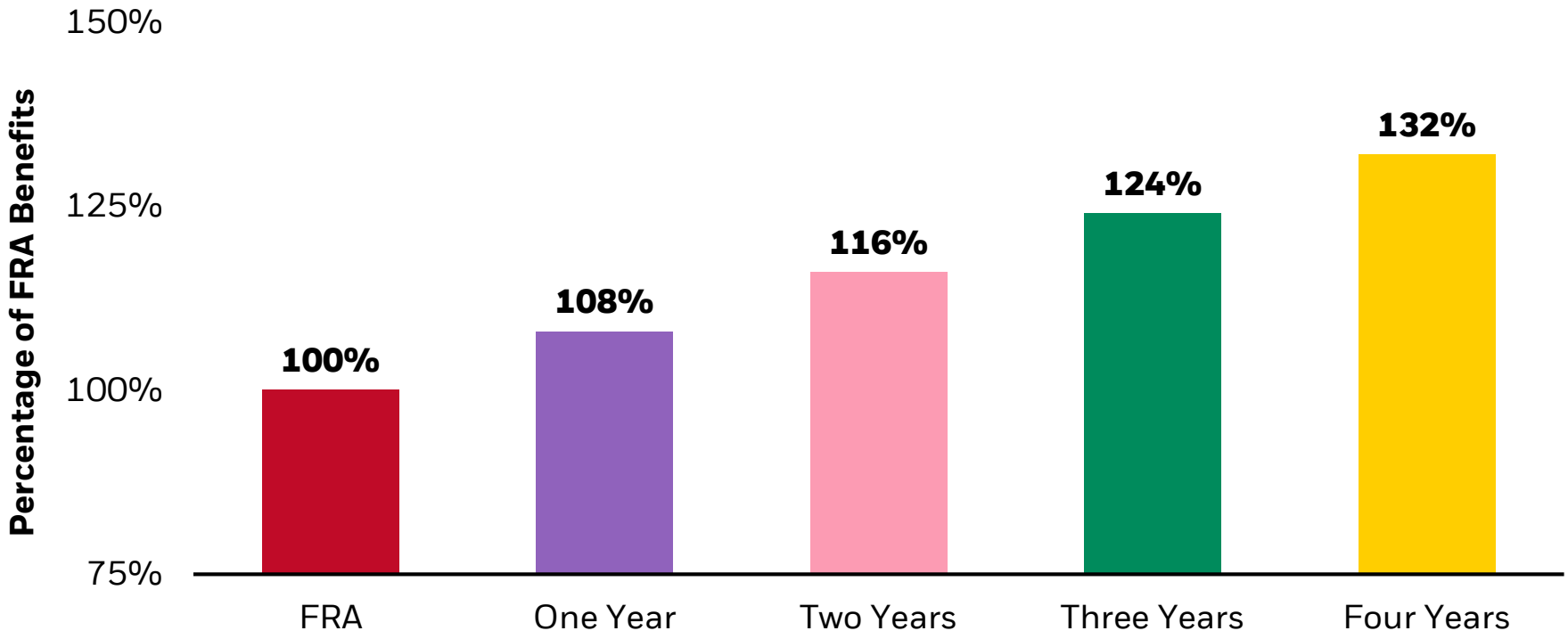
FOR USE OF SOCIAL SECURITY ADMINISTRATION

☐ APPROVED | ☐ NOT APPROVED BECAUSE → | ☐ BENEFITS NOT REPAID | ☐ CONSENT(S) NOT OBTAINED | ☐ OTHER *(Attach special determination)*

SIGNATURE OF SSA EMPLOYEE | TITLE ☐ CLAIMS AUTHORIZER ☐ OTHER *(Specify)* | DATE

Source: Social Security Administration (www.ssa.gov).

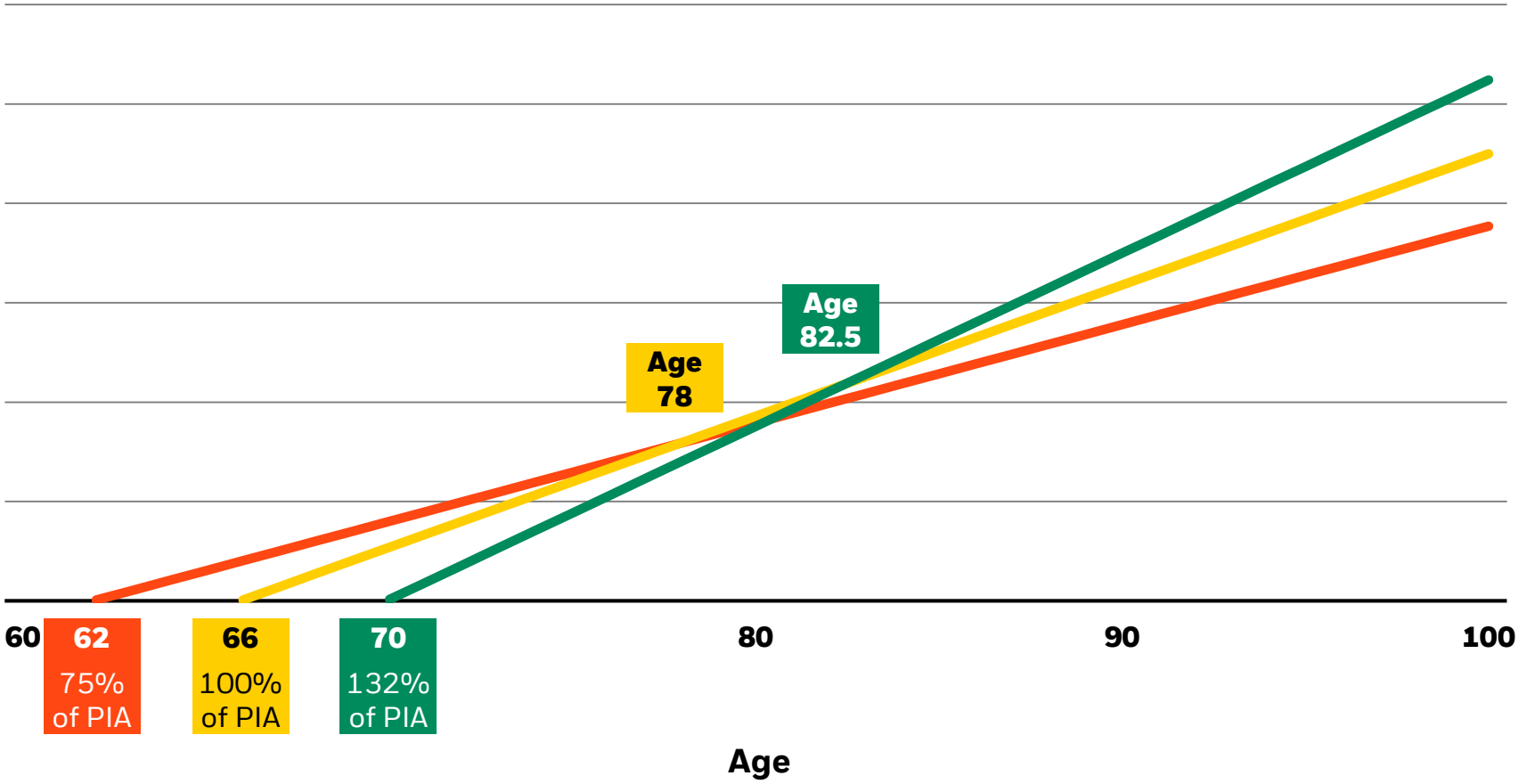
Guaranteed increases for collecting late



Source: Social Security Administration (www.ssa.gov). Assumes individual born in 1943 or later.

A question of longevity

Break even analysis



Assumes individual has a FRA of 66.

Rules of retirement benefits

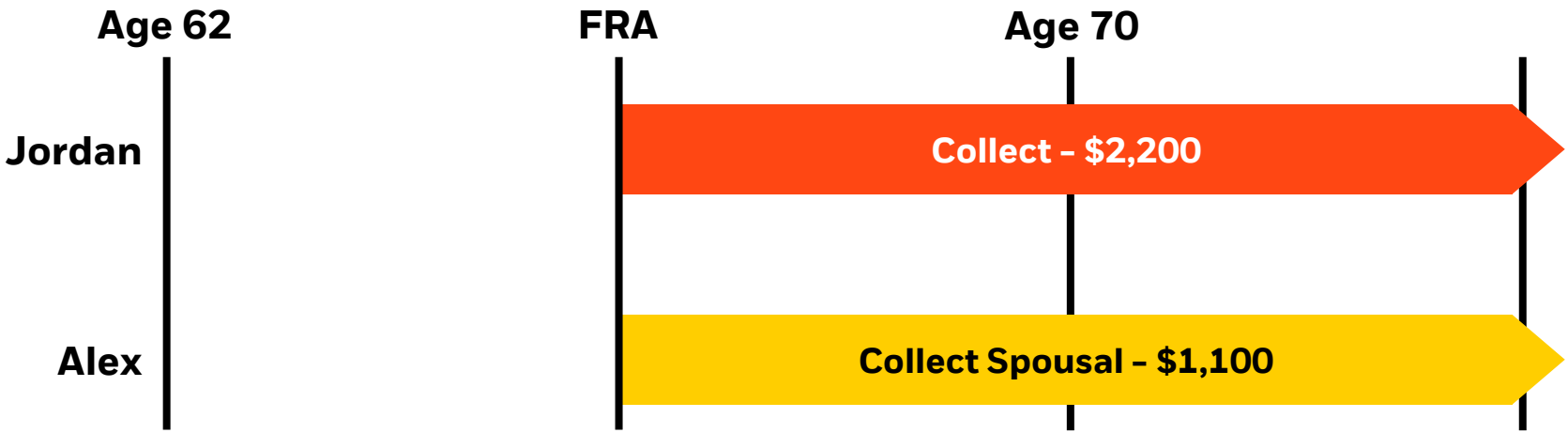
Spousal and survivor benefits

Spousal benefits amount

Jordan
PIA: $2,200

Alex
PIA: $0

50% x $2,200
$1,100



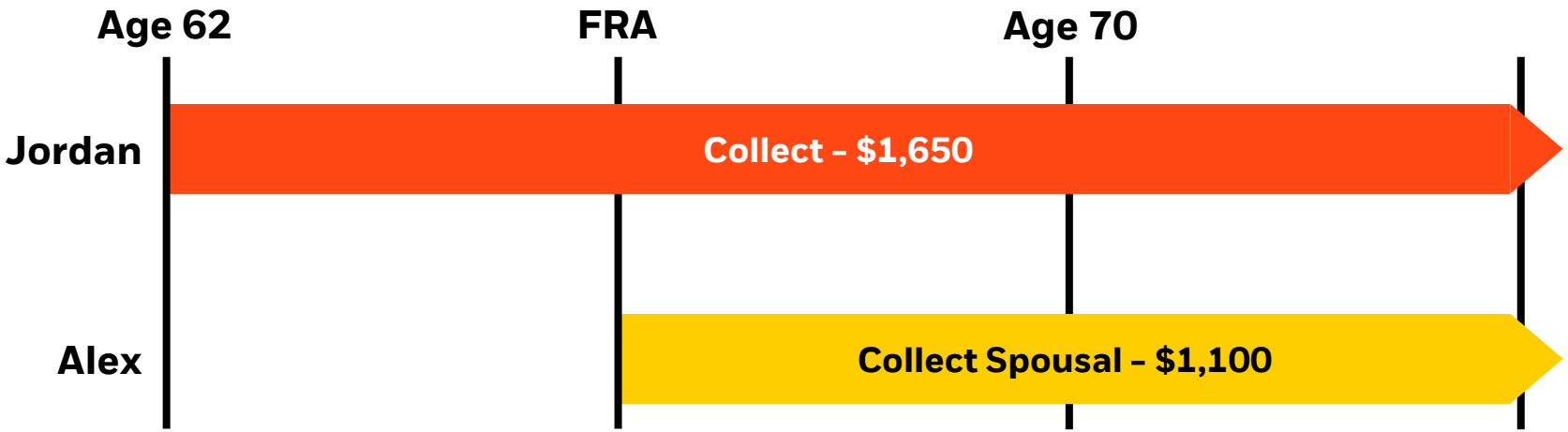
Source: Social Security Administration (www.ssa.gov).

Spousal benefits amount

Jordan
PIA: $2,200

Alex
PIA: $0

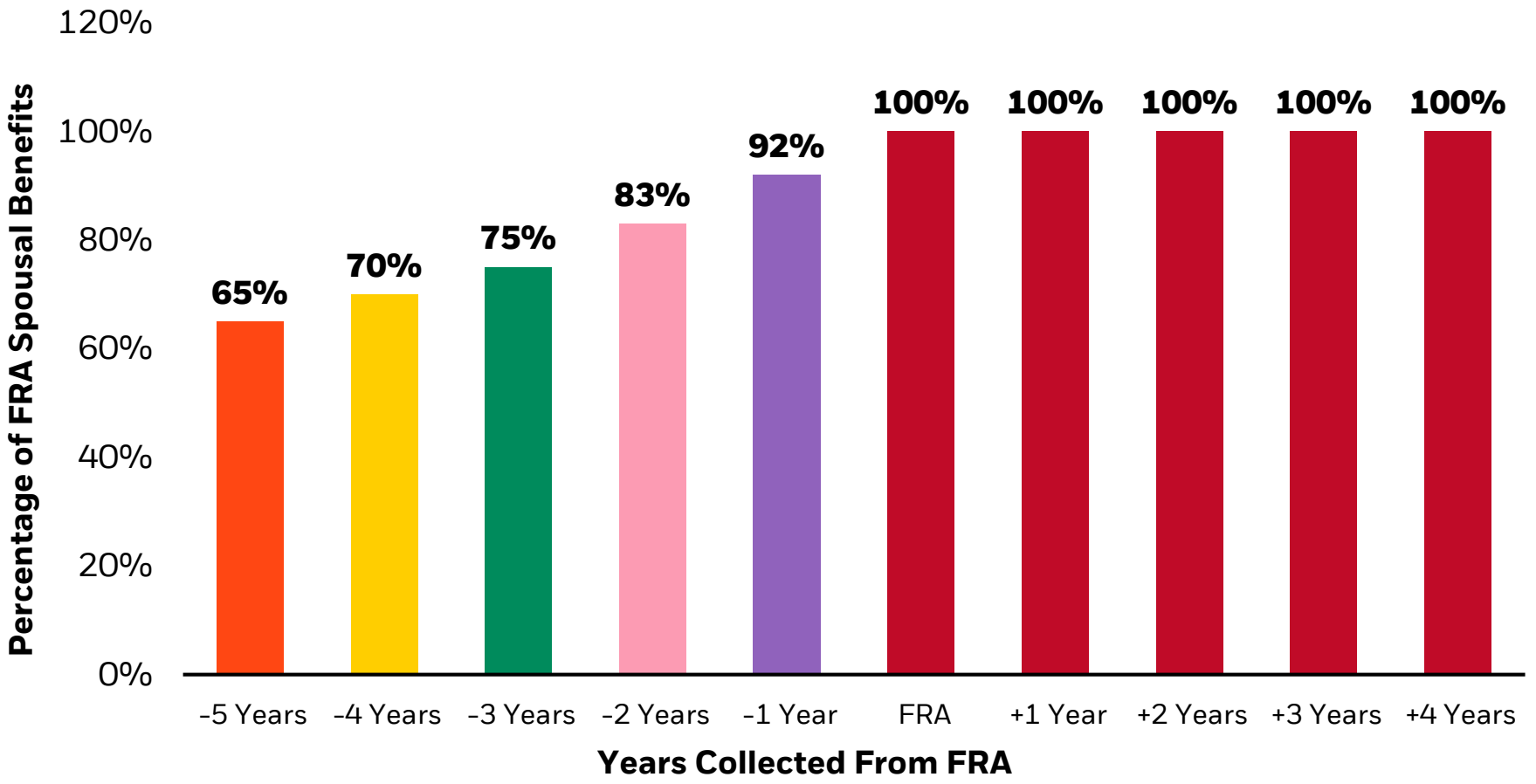
50% x $2,200
$1,100



Source: Social Security Administration (www.ssa.gov).

Spousal benefits reduction

Maximum spousal benefit amount

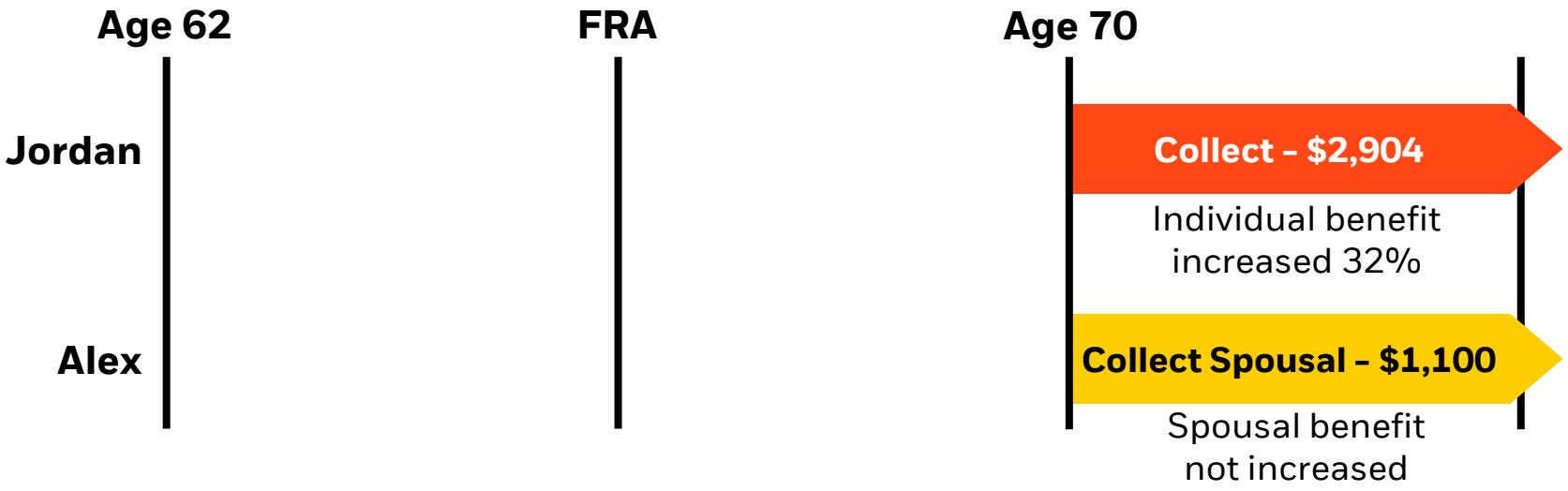


Source: Social Security Administration (www.ssa.gov).

Spousal benefits eligibility

Jordan
PIA: $2,200

Alex
PIA: $0

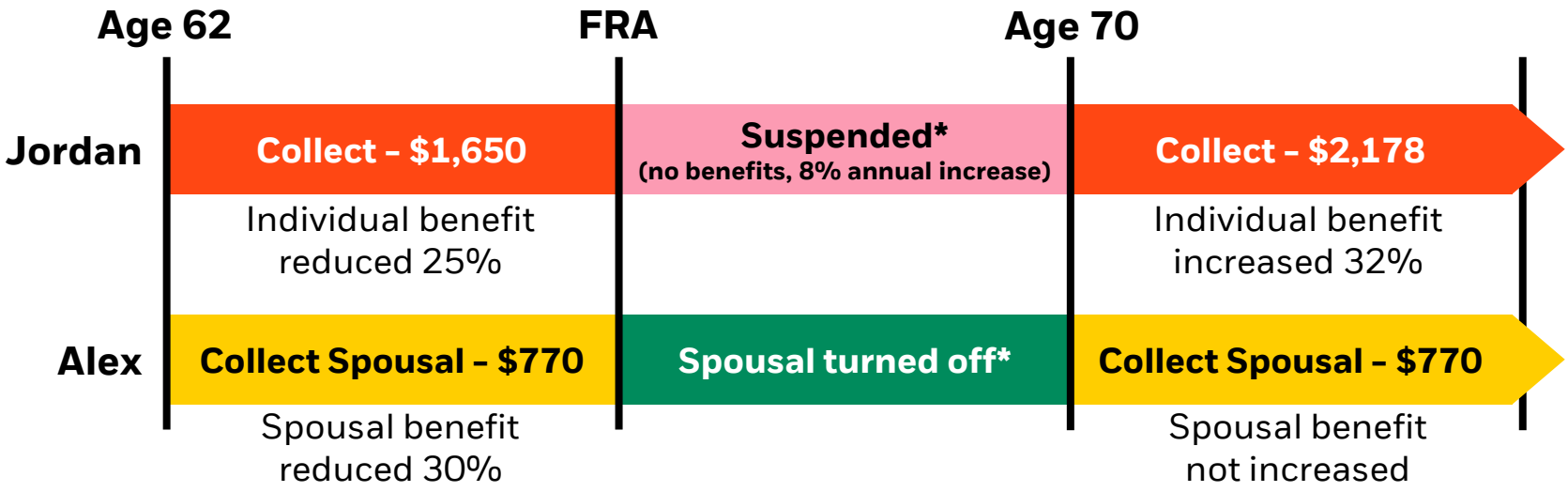


Source: Social Security Administration (www.ssa.gov).

Suspending benefits still option with new consequences

Jordan
PIA: $2,200

Alex
PIA: $0

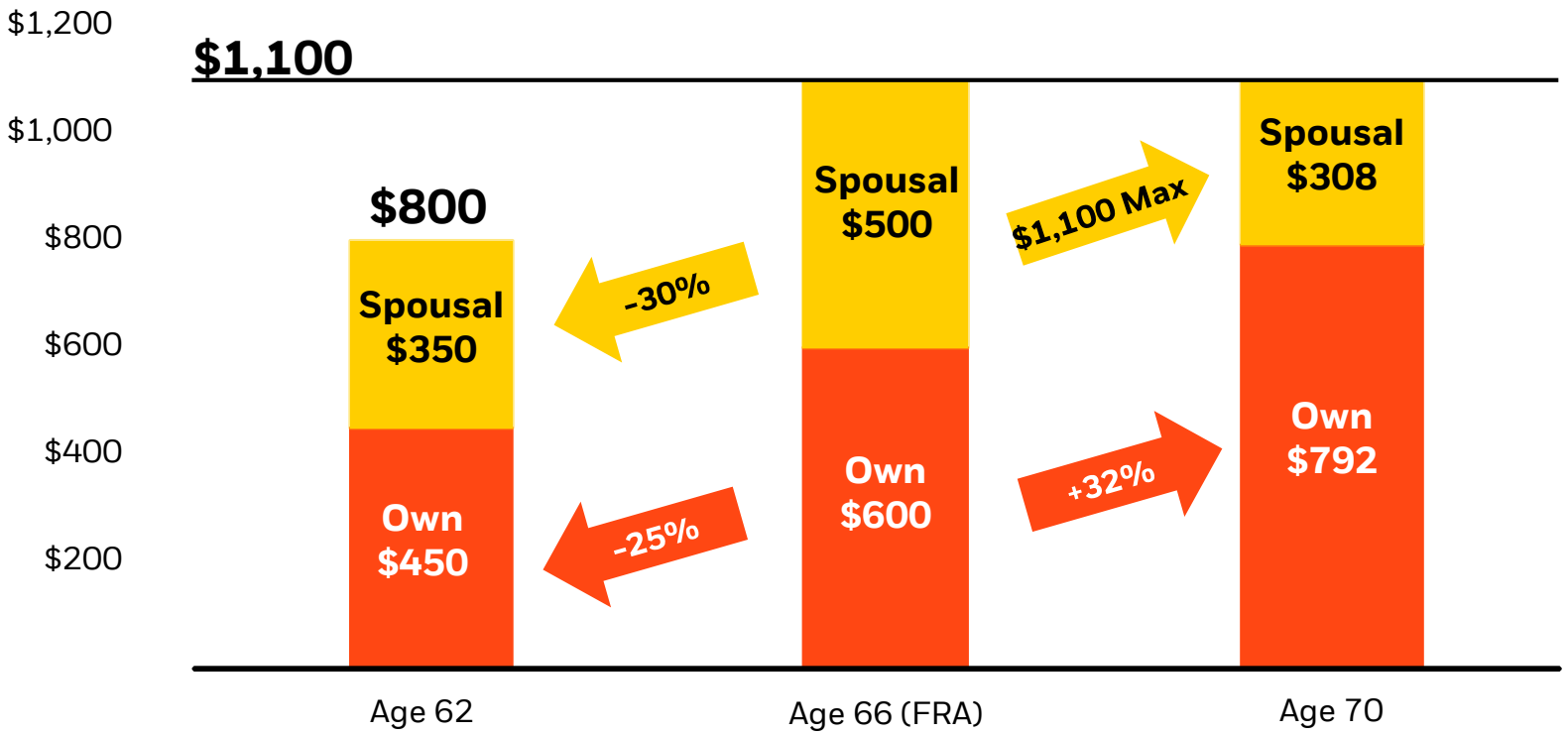


Source: Social Security Administration (www.ssa.gov). *If request to suspend is made after April 30, 2016.

Adding spousal benefits to individual benefits

Jordan
PIA: $2,200

Alex
PIA: $600

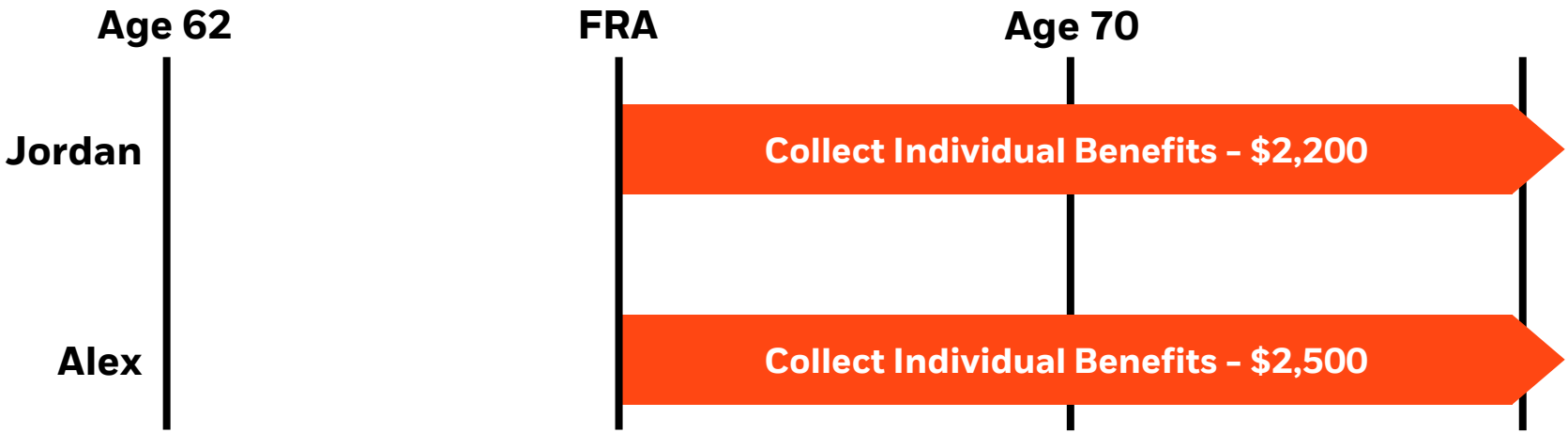


Source: Social Security Administration (www.ssa.gov).

Spousal benefits eligibility

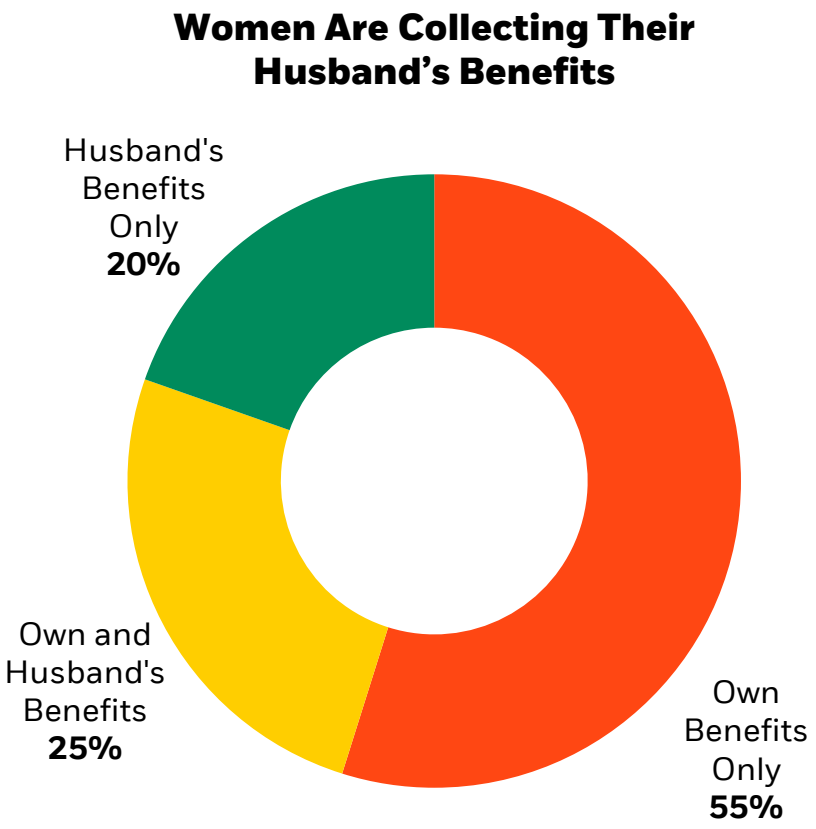
Jordan
PIA: $2,200

Alex
PIA: $2,500



Source: Social Security Administration (www.ssa.gov).

Survivor benefits



Jordan
PIA: $2,200

Alex
PIA: $600

Jordan's Benefits (63, 6 months) $1,833 → Survivor Benefits $1,833

Jordan's Benefits (70) $2,904 → Survivor Benefits $2,904

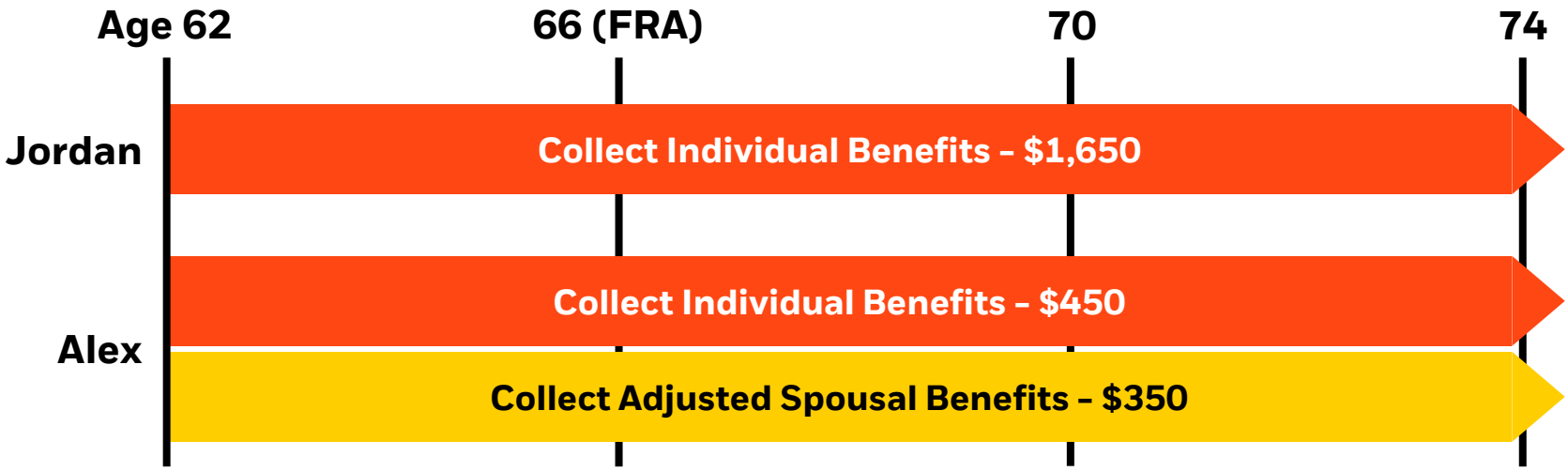
Source: Social Security Administration's Annual statistical supplement, 2020. Assumes full retirement age of 66 and primary insurance amount of $2,200.

Collection strategies

Married couple collecting at age 62

Jordan
YOB: 1955
PIA: $2,200
Lives through age 75

Alex
YOB: 1955
PIA: $600
Lives through age 84

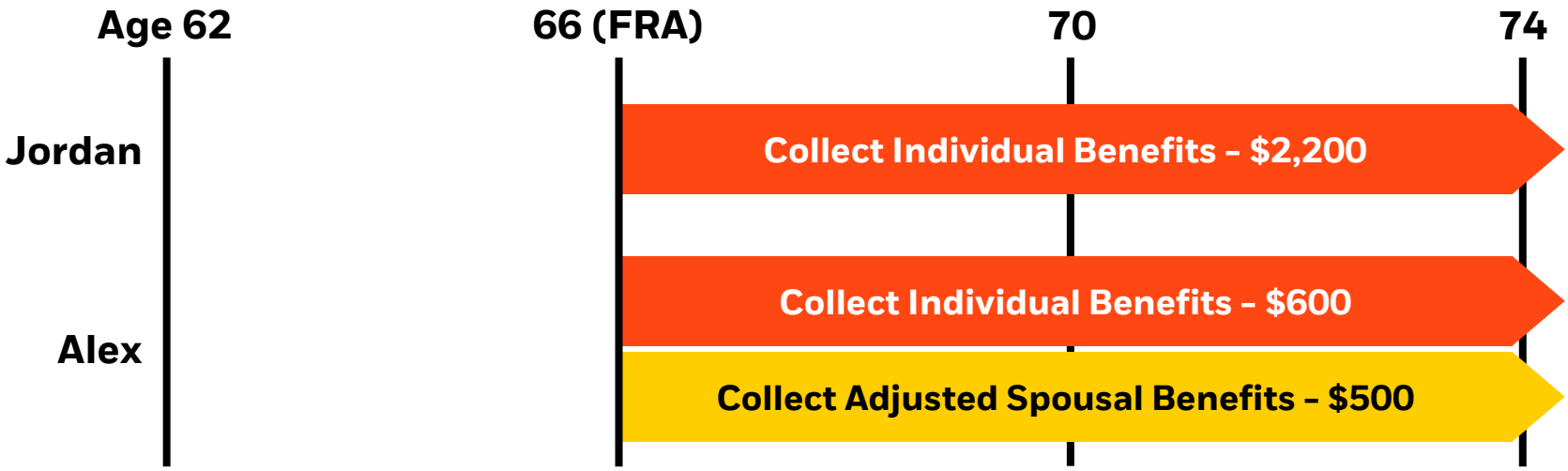


Jordan's Benefits	Alex's Benefits	Spousal Benefits	Survivor Benefits	Total
$277,200	$75,600	$58,800	$196,020	$607,620

Married couple collecting at age 66 (FRA)

Jordan
YOB: 1955
PIA: $2,200
Lives through age 75

Alex
YOB: 1955
PIA: $600
Lives through age 84



Both Age 62
$607,620

Both FRA
$633,600

Married couple collecting at age 70

Jordan
YOB: 1955
PIA: $2,200
Lives through age 75

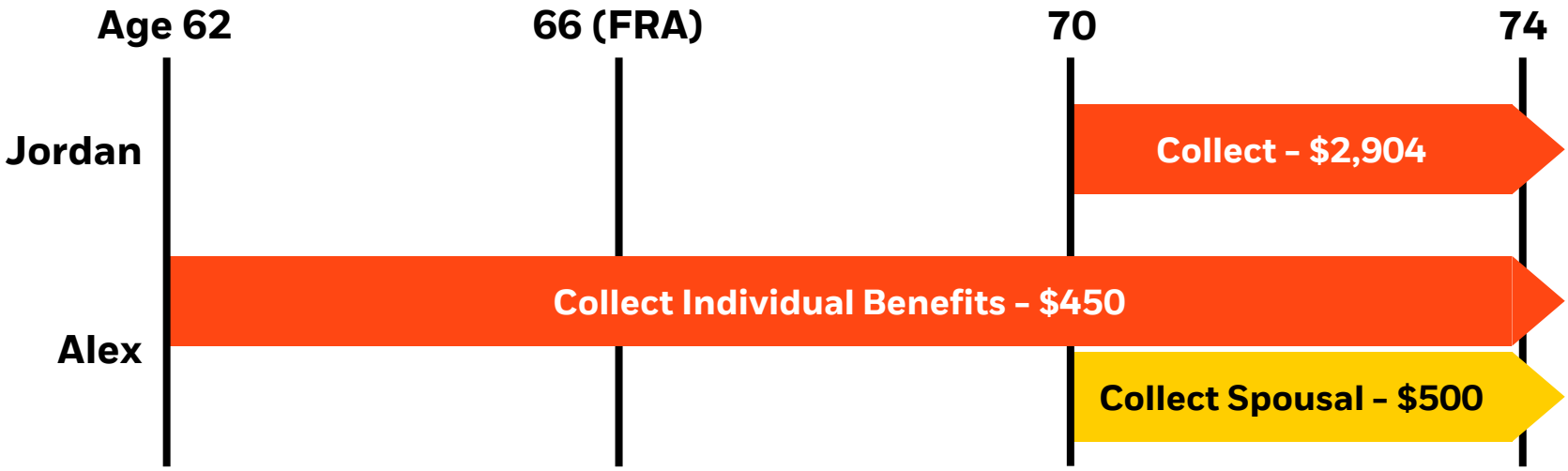
Alex
YOB: 1955
PIA: $600
Lives through age 84

Both Age 62	Both FRA	Both Age 70
$607,620	$633,600	$601,920

Married couple with large difference in benefits

Jordan
YOB: 1955
PIA: $2,200
Lives through age 75

Alex
YOB: 1955
PIA: $600
Lives through age 84

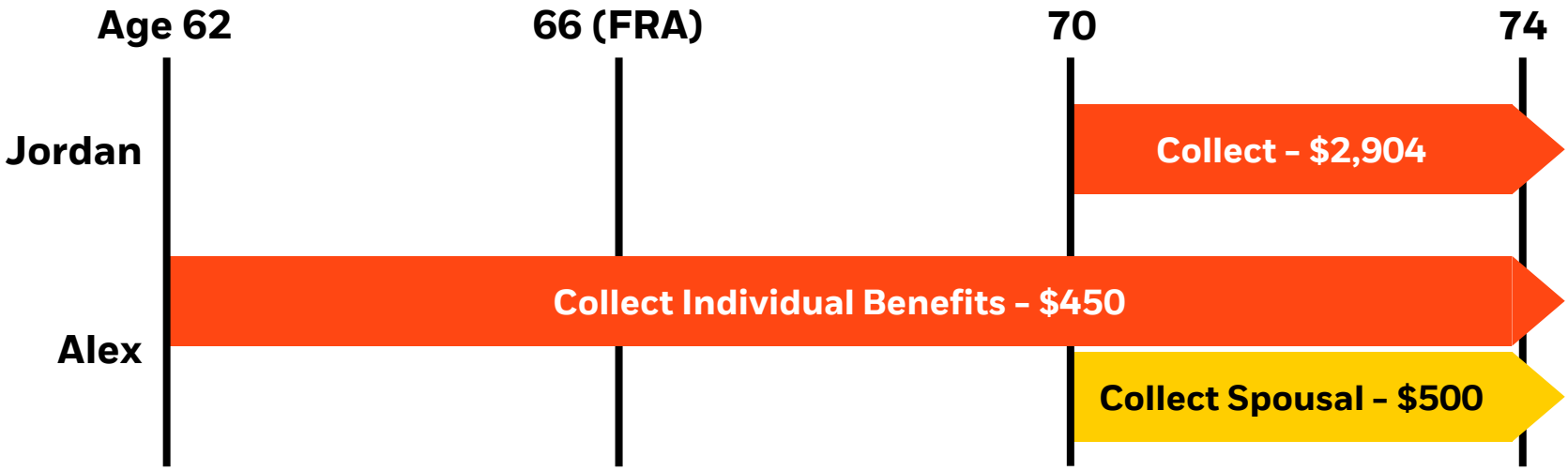


Both Age 62	Both FRA	Both Age 70	Strategy
$607,620	$633,600	$601,920	**$634,320**

Married couple with large difference in benefits

Jordan
YOB: 1955
PIA: $2,200
Lives through age 85

Alex
YOB: 1955
PIA: $600
Lives through age 92

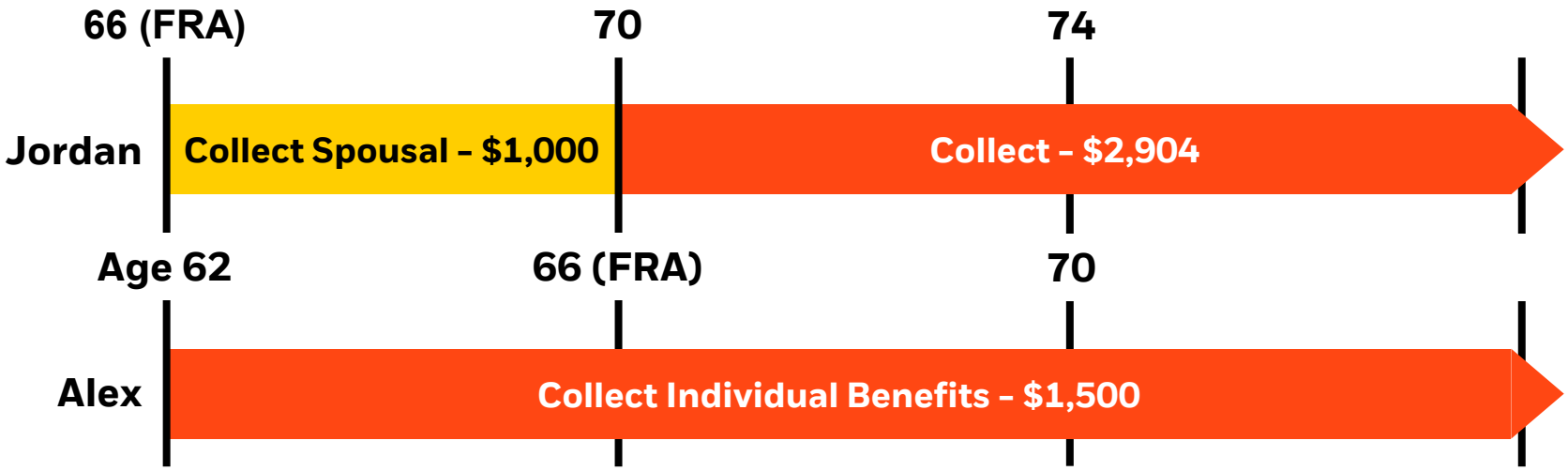


Both Age 62	Both FRA	Both Age 70	Strategy
$858,060	$976,800	$1,012,704	**$1,027,104**

Restricted application available if born 1953 or earlier

Jordan
YOB: 1953
PIA: $2,200
Lives through age 85

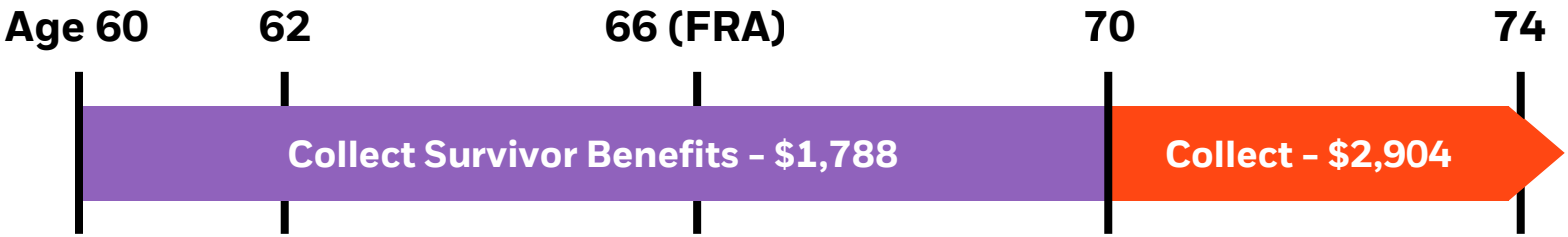
Alex
YOB: 1957
PIA: $2,000
Lives through age 92



Both Age 62	Both FRA	Both Age 70	Strategy
$1,074,780	$1,202,400	$1,321,056	**$1,348,896**

Widow with significant individual benefits

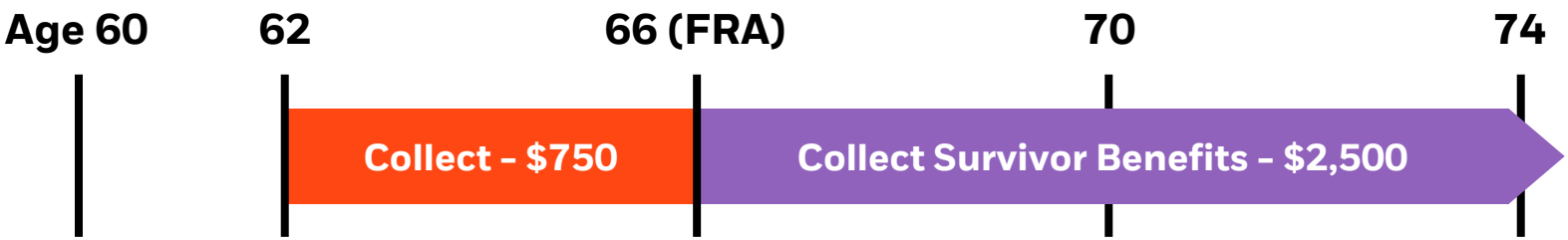
Chris
PIA: $2,200
Survivor: $2,500
Lives through age 92



Age 62	FRA	Age 70	Strategy
$753,300	$810,000	$801,504	**$1,016,004**

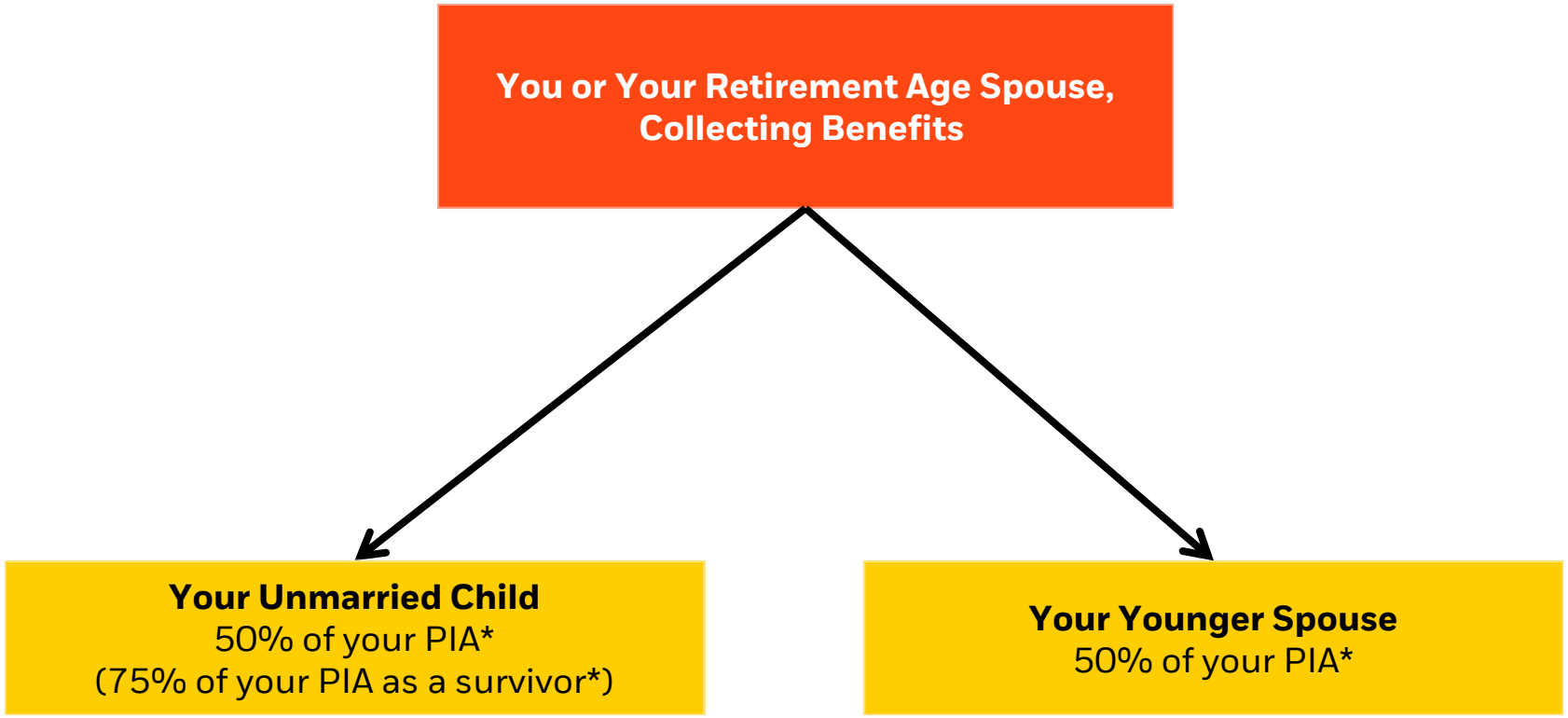
Widow with lower individual benefits

Chris
PIA: $1,000
Survivor: $2,500
Lives through age 92



Age 62	FRA	Age 70	Strategy
$753,300	$810,000	$690,000	**$846,000**

Additional beneficiaries



- Under age 18 (19 if in high school)
- Any age if disabled before age 22

- Caring for your child who is under age 16 or disabled before age 22

*Subject to family maximum.

Source: Social Security Administration (www.ssa.gov).

Additional beneficiaries – Divorced spouse

Spousal Benefits

- Married to ex-spouse for 10+ years
- Unmarried
- Both are at least age 62
- Divorced for at least 2 years*

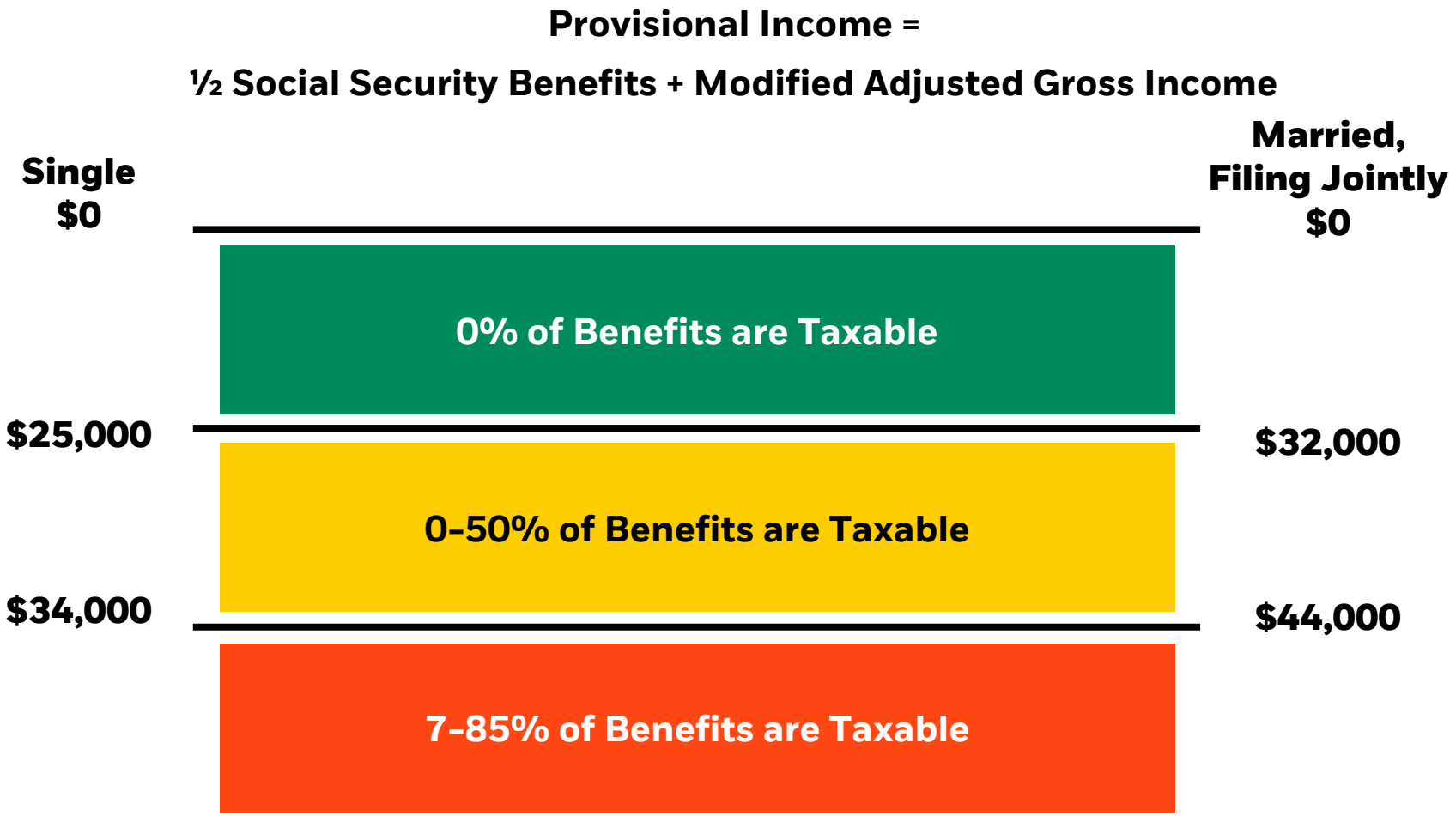
Survivor Benefits

- Married to ex-spouse for 10+ years
- Unmarried or married after age 60
- At least age 60

*2 years does not apply if the individual was eligible for spousal benefits at the time of divorce.

Source: Social Security Administration (www.ssa.gov).

Taxation of Social Security benefits



Source: Social Security Administration (www.ssa.gov).

Next steps

Download your statement at www.ssa.gov.

Meet with your financial professional to review a personalized analysis.

Incorporate collection into your retirement plan.

How to file for benefits

1. Online: Preferred method. Go to www.ssa.gov. Click on “benefits” then “retirement” then “apply for retirement benefits.”

2. In Person: Call Social Security at 1-800-772-1213 and schedule an appointment for an in office interview to file for benefits.

3. Via Phone: Call Social Security at 1-800-772-1213 and schedule an appointment for a telephone interview to file for benefits.

Important Notes

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