

FIVE FACTS YOU SHOULD KNOW ABOUT SOCIAL SECURITY



When anticipating retirement, you may think of the first work-free years of pursuing hobbies or traveling. However, your years in retirement may be longer than you think. Knowing when to claim benefits can give you a better chance of making your retirement money last.

1. FULL RETIREMENT AGE DOESN'T MEAN 65

Your Full Retirement Age (FRA) depends on when you were born.



1943 - 1954	→	Age 66
1955 - 1959	→	Age 66 + 2 months for every year after 1954
1960 and after	→	Age 67

Source: SSA Fast Facts & Figures About Social Security

2. SOCIAL SECURITY IS NOT A GIVEN

You have to work (enough) to earn it. Once you earn it, your family can also receive benefits based on your earnings.



3. DRAWING SOCIAL SECURITY EARLY MAY NOT BE THE BEST

You can start before your Full Retirement Age, but doing so will mean a reduction in your amount. Delaying your benefits lets you collect more.*

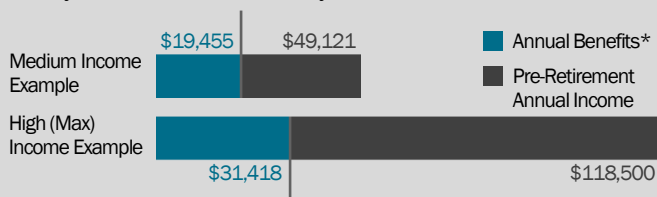
If you start at age...



*Assumes Full Retirement Age is 66. Increased benefits for delaying Social Security max out at age 70. Source: www.socialsecurity.gov.

4. EVERYONE DOESN'T EARN THE SAME

What you made won't be what you earn.



Social Security will not replace your current wages. However, it should be part of your overall retirement strategy.

Your Benefit:

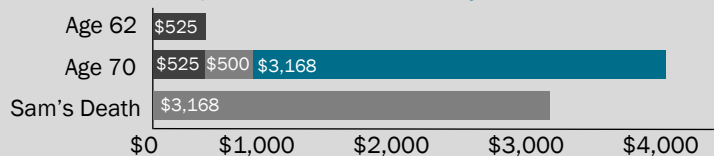
- ~ Is based on a three-part calculation and an average of the best 35 years of your earnings
- + Can be increased to reflect cost of living adjustments, 2.3% average since 2000
- May be decreased if you are still working or if you are entitled to a government pension
- Up to 85% of your benefit may be subject to income tax

*Annual replacement rates in 2016 for retired worker, age 66. Source: 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2016 Table V. C7.
Source: www.socialsecurity.gov

5. SPOUSES CAN TAKE A TEAM APPROACH TO MAXIMIZE BENEFITS

An individual earner can extend benefits to his or her spouse—to add to his or her own earned benefits or to use alone. How much each spouse earned and their anticipated life expectancy may help determine how and when to take Social Security.

Spousal benefits can boost your bottom line



Sam
Benefit Amount: \$2,400
FRA: 66



Kathy
Benefit Amount: \$700

- Sam: Individual Benefit
- Kathy: Individual Benefit
- Kathy: Spousal/Survivor Benefit

At age 62: Kathy files early at a monthly reduced rate.

At age 70: Sam waits to file at 70 rather than 66 and begins receiving an increased individual monthly benefit. This allows Kathy to collect her spousal benefit.

Upon Sam's Death: This strategy also allows Kathy to maximize survivor benefits if Sam dies first.



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