

OVERVIEW

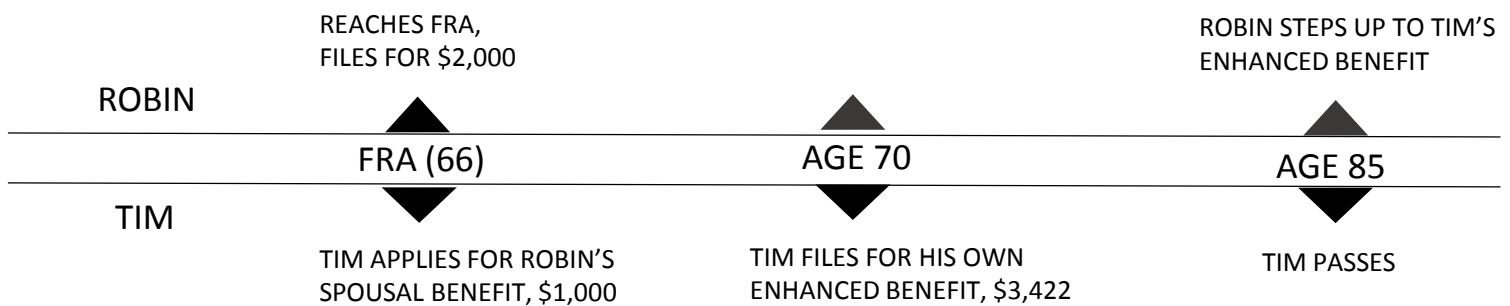
Careful thought should be given when helping your clients determine when to file for Social Security benefits. This matter is complex and requires consideration of many factors such as; desired monthly income, number of planned years in retirement, etc. Often these factors and the concern of making the wrong decision can be overwhelming to a client. To complicate matters more, there’s no standard answer to the question of “when’s the right time” since everyone is different and has different income needs. Knowing your client and the different timing of when benefits can be claimed can make all the difference.

STRATEGY

SIMILAR
EARNED
INCOME

LEVERAGE A RESTRICTED APPLICATION

If Tom and Robin had similar lifetime earnings, resulting in similar Social Security retirement benefits, there is another strategy, provided they were born before January 1, 1954. For this scenario, suppose Robin’s benefit at FRA is \$2,000 a month and Tim’s is \$2,600 a month.



HOW IT WORKS

In this case, if Robin claims her full benefit at FRA, Tim can file a restricted application for spousal benefits only (because he was born before 1954). This way, he collects 50% of Robin’s \$2,000, for a total household income of \$3,000. When he turns 70, Tim switches to his own benefit, which has grown to \$3,422. Not only does the household income increase, but Robin can step up to Tim’s enhanced benefit if he dies before she does.

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Comparing claiming strategies by calculating a “break-even point” can be helpful in recommending the best decision for your client’s specific situation but **remember**, this example depicts a generic situation. Most clients have additional factors to consider, such as differences in age and situations where each spouse has his or her own benefit to leverage. comparing claiming strategies by calculating a “break-even point” can help you recommend the decision that is right for your own specific situation.

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