

*Getting More out of*

---

# Social Security



## WHAT WE'LL COVER:

- How and when to claim Social Security
  - Different claiming strategies
  - Tips on maximizing your benefit

**Fidelity**

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Practical conversations to help you live well financially, today and tomorrow.

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MAR 21 & 22  
**BE IN THE FINANCIAL  
FRONT SEAT**

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APR 4 & 5  
**GETTING MORE OUT  
OF SOCIAL SECURITY**

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Feedback

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# THE BASICS: ADDRESSING VIEWER QUESTIONS

## THE OUTLOOK IF NO CHANGES ARE MADE



**LOWER**  
POSSIBILITY

Could Social  
Security benefits  
be reduced?



**HIGHER**  
POSSIBILITY



## GUIDELINES FOR CLAIMING:

- Full Retirement Age (FRA) benefit
  - Claim early, benefit reduced
  - Claim later, benefit boosted

## CLAIMING LATER INCREASES YOUR BENEFIT

**32%**

INCREASE  
IF YOUR  
FRA IS 66

**24%**

INCREASE  
IF YOUR  
FRA IS 67



ANY MONTH **AFTER** FRA **INCREASES** YOUR MONTHLY PAYMENT

## CLAIMING LATER INCREASES YOUR BENEFIT



**4%**  
INCREASE  
IF YOU CLAIM  
6 MONTHS AFTER

---

ANY MONTH AFTER FRA INCREASES YOUR MONTHLY PAYMENT



## THE NUMBERS MAY SURPRISE YOU

AVERAGE ANNUAL  
SOCIAL SECURITY BENEFIT?

**\$18,200 (MEN)**

**\$14,400 (WOMEN)**

MAXIMUM  
MONTHLY  
BENEFIT IN  
2018?

**\$2,788**



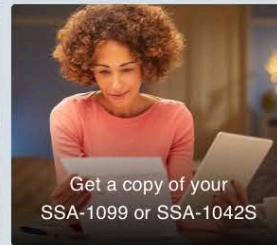
# THE BASICS: USING THE SOCIAL SECURITY WEBSITE

# YOUR STARTING POINT: SSA.GOV



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP



my Social Security



Social Security Number

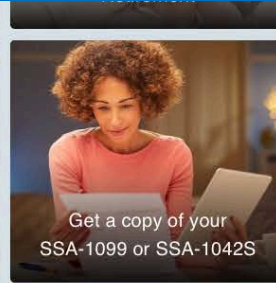
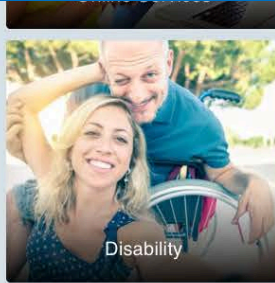


Retirement Estimator



Answers

# YOUR STARTING POINT: SSA.GOV



## my Social Security

Check out your *Social Security Statement*, change your address & manage your benefits online today.



## Social Security Number

Your Social Security number remains your first and continuous link with Social Security.



## Retirement Estimator

Calculate your benefits based on your actual Social Security earnings record.

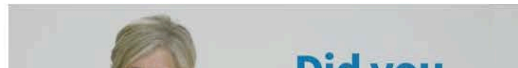


## Answers

Get answers to frequently asked questions about Social Security.



Learn How to Protect Your Social Security Information from Unauthorized Access.



# YOUR STARTING POINT: SSA.GOV



Social Security

SEARCH

MENU

LANGUAGES

SIGN IN/UP

Home

Online Services

Social Security Number & Card

Change Your Name

Social Security Statement

my Social Security

Forms

Publications

Answers

Contact Us

Accessibility

## Benefits

Retirement

Disability

Medicare

Survivors

Supplemental Security Income

Retirement Estimator

After Incarceration

Appeal a Decision

Benefits Planner

Benefits Outside the U.S.

Check Application or Appeal

Status

Extra Help with Medicare

Prescription Drug Plan Costs

Explore the Benefits You May Be

Due

Spouses

Children

Children with Disabilities

Ticket to Work

## Business & Government

Business Services

Congress

Data Exchange

Electronic Records Express

Employers

Financial Institutions

Government Services Online

Self-Employed

Small Business

Software Developers

## Information for...

Appointed Representatives

Educators

Financial Planners

Groups & Organizations

Health & School Professionals

Human Resource Professionals

People Like Me

Press

Representative Payees

School Officials

Service Providers for the

Homeless

Tax Preparers

Veterans

# YOUR STARTING POINT: SSA.GOV

[Educators](#)  
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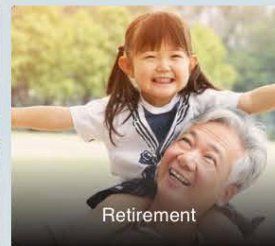
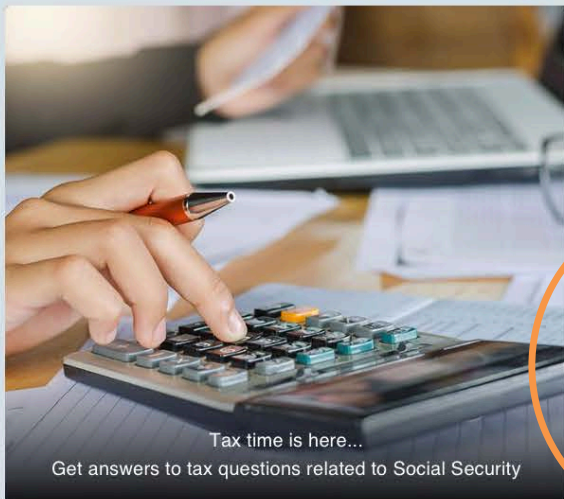


# YOUR STARTING POINT: SSA.GOV



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP



my Social Security



Social Security Number



Retirement Estimator



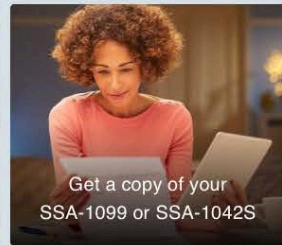
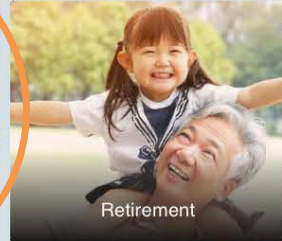
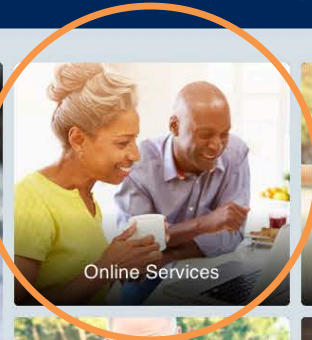
Answers

# YOUR STARTING POINT: SSA.GOV



Social Security

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my Social Security



Social Security Number



Retirement Estimator



Answers



# CREATE A RETIREMENT INCOME PLAN THAT'S UNIQUELY YOURS

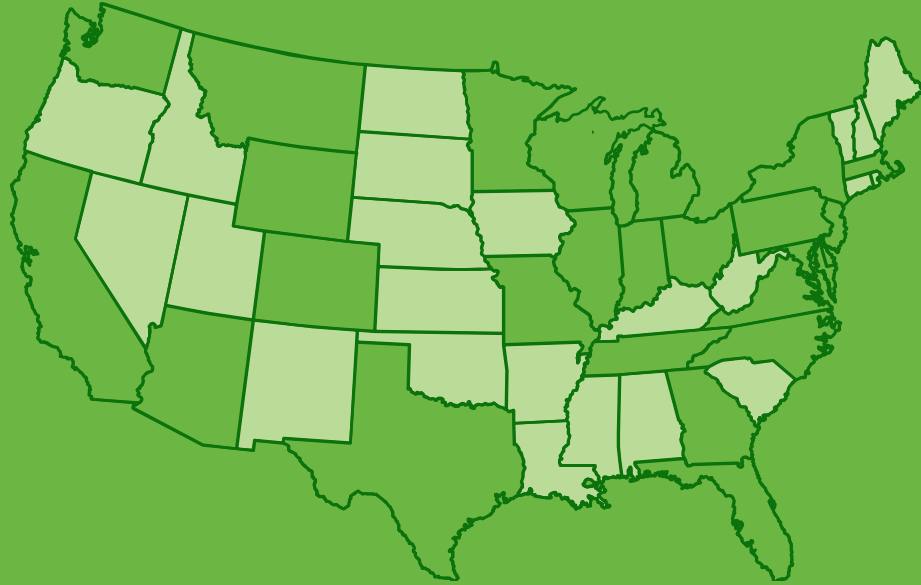


A detailed **plan** may help you determine how to use your **financial resources** to generate **income in retirement**.

IMPORTANT: The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

**61,500,000**

people receive Social Security benefits today...



**That's the population of 23 states — combined.**



# WHEN TO CLAIM YOUR BENEFIT



## TWO DIFFERENT DECISIONS

- When to leave my job?
- How to pay for my life in retirement?

## CLAIMING EARLY LOCKS IN A PERMANENT PENALTY



**25%**  
PERMANENT  
REDUCTION  
IF YOUR  
FRA IS 66

**30%**  
PERMANENT  
REDUCTION  
IF YOUR  
FRA IS 67

---

ANY MONTH BEFORE FRA **DECREASES** YOUR MONTHLY PAYMENT

## CONSIDER THE CONSEQUENCES OF WHEN YOU CLAIM



CLAIMING AT  
AGE 62

CLAIMING AT  
AGE 70

SOCIAL SECURITY \$1,260  
WORK OR SAVINGS \$2,740

\$1,800  
\$2,200

\$2,232  
\$1,768

# CONSIDER THE CONSEQUENCES OF WHEN YOU CLAIM






CLAIMING AT  
AGE 62

CLAIMING AT  
AGE 70





# YOUNGER THAN FRA? BENEFITS TEMPORARILY REDUCED

 AGE	 EARN UP TO:	 BENEFIT WITHHELD:
Reach FRA	No limit on earnings	None
Younger than FRA	\$17,040/yr. \$1,420/mo.	\$1 for every \$2 over the limit
Reach FRA during year	\$45,360/yr. \$3,780/mo.	\$1 for every \$3 over the limit

# SOME OF YOUR SOCIAL SECURITY BENEFIT MAY BE TAXED AS INCOME

 TAX FILING	 COMBINED INCOME	 % OF BENEFIT
--	---	--

Individual

\$25,000–\$34,000

Up to 50%

> \$34,000

Up to 85%

Joint

\$32,000–\$44,000

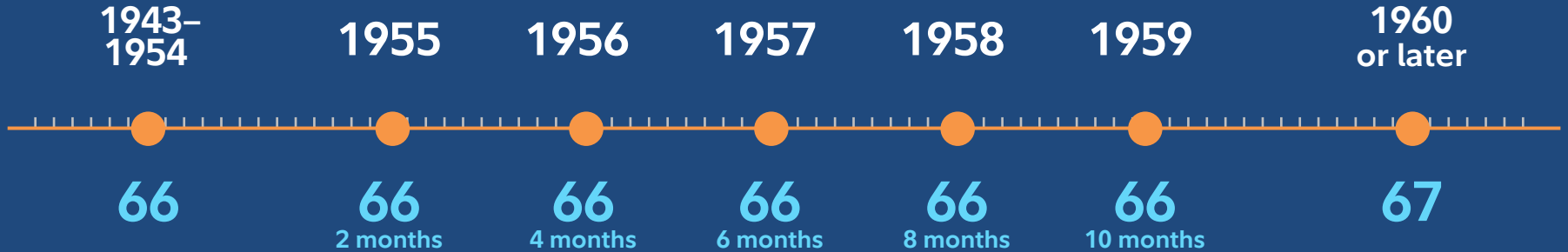
Up to 50%

> \$44,000

Up to 85%

# YOU ARE ELIGIBLE FOR FULL SOCIAL SECURITY BENEFITS WHEN YOU REACH YOUR FRA

## YEAR YOU WERE BORN

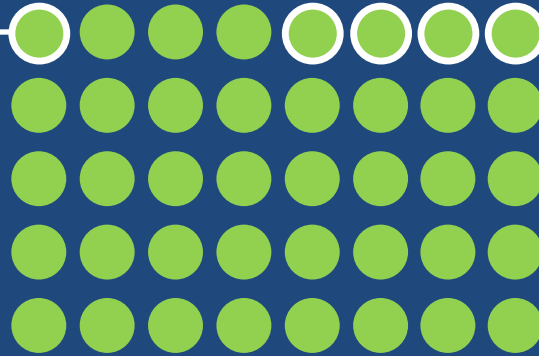


## YOUR FULL RETIREMENT AGE

# HOW YOU QUALIFY FOR RETIREMENT BENEFITS

## EARN 40 CREDITS

**1 CREDIT**  
**= \$1,320**  
in wages (in 2018)



**EARN UP**  
**TO 4 CREDITS**  
**PER YEAR**

They do not have to be  
consecutive quarters

Your employer must pay  
into the system.

# YOUR BENEFIT IS BASED ON YOUR WORK HISTORY



**\$128,400**  
TAXABLE WAGE BASE

**35** HIGHEST  
EARNING YEARS

# YOUR CALCULATED BENEFIT: HIGHEST 35 YEARS OF EARNINGS

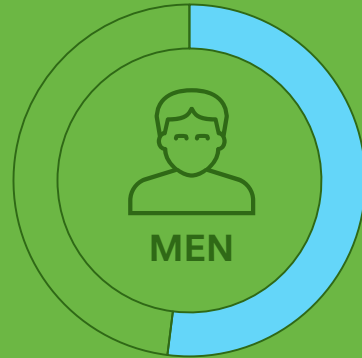
## Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1974	220	220
1975	570	570
1976	1,067	1,067
1977	1,882	1,882
1978	2,705	2,705
1979	3,529	3,529
1980	4,628	4,628
1981	6,355	6,355
1982	7,935	7,935
1983	9,366	9,366
1984	10,884	10,884
1985	12,265	12,265
1986	13,482	13,482
1987	15,121	15,121
1988	16,580	16,580
1989	17,869	17,869
1990	19,296	19,296
1991	20,549	20,549
1992	22,115	22,115
1993	22,765	22,765
1994	23,778	23,778
1995	25,092	25,092
1996	26,659	26,659
1997	28,564	28,564
1998	30,392	30,392

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1999	32,395	32,395
2000	34,489	34,489
2001	35,570	35,570
2002	36,138	36,138
2003	37,232	37,232
2004	39,140	39,140
2005	40,734	40,734
2006	42,679	42,679
2007	44,614	44,614
2008	45,588	45,588
2009	44,776	44,776
2010	45,573	45,573
2011	46,569	46,569
2012	47,472	47,472
2013	47,288	47,288
2014	47,660	47,660
2015	47,833	47,833
2016	46,770	46,770
2017	Not yet recorded	

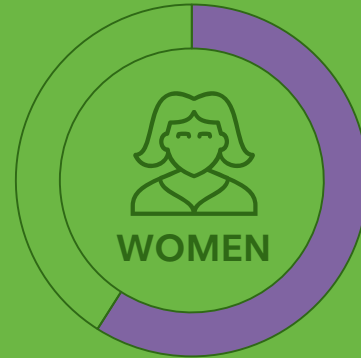
Social Security stopped mailing most paper statements in 2017.

# MOST PEOPLE CLAIM SOCIAL SECURITY BEFORE FULL RETIREMENT AGE



**52%**

**CLAIM BEFORE FRA**



**59%**

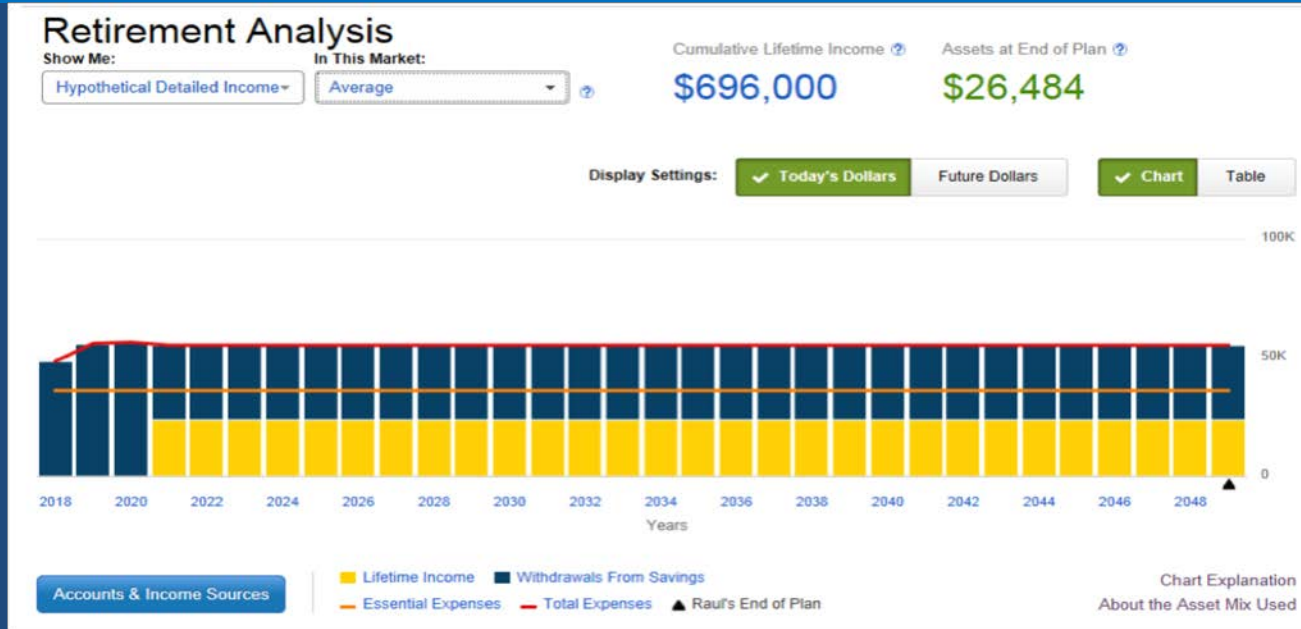
**CLAIM BEFORE FRA**



THE FIDELITY EXPERIENCE:  
**BUILDING YOUR RETIREMENT  
INCOME PLAN**



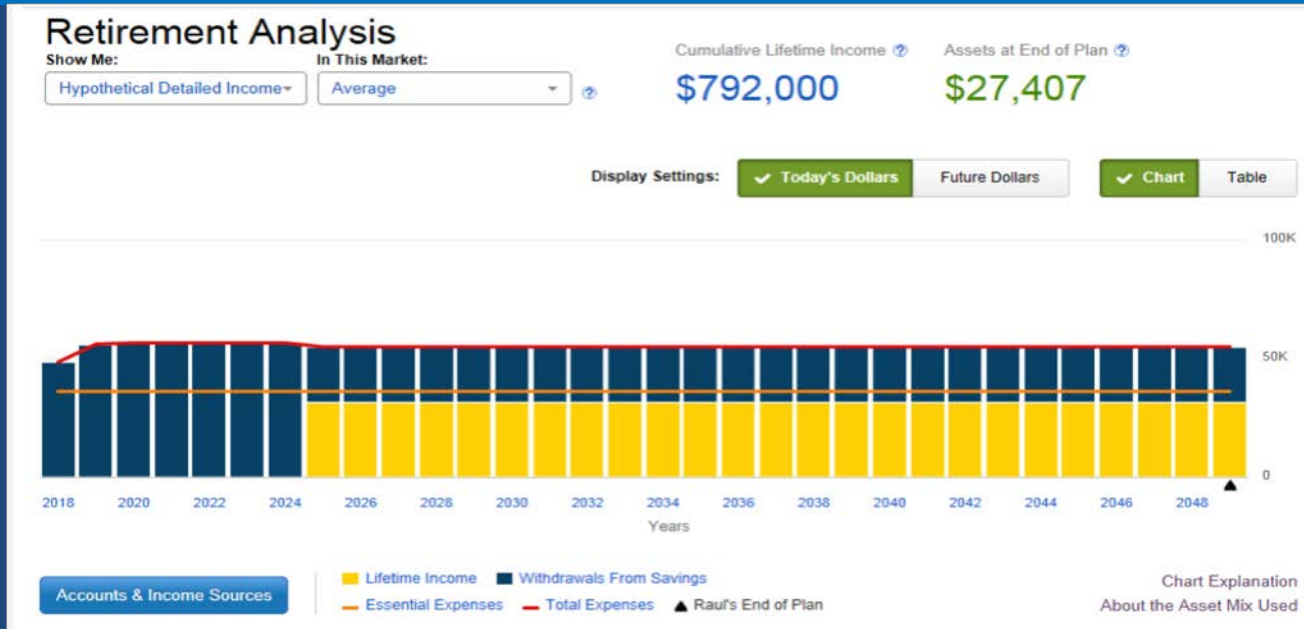
# HYPOTHETICAL EXAMPLE OF FIDELITY'S PLANNING & GUIDANCE CENTER OUTPUT: SOCIAL SECURITY ESTIMATE AT FULL RETIREMENT AGE



For illustrative purposes only.

IMPORTANT: The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

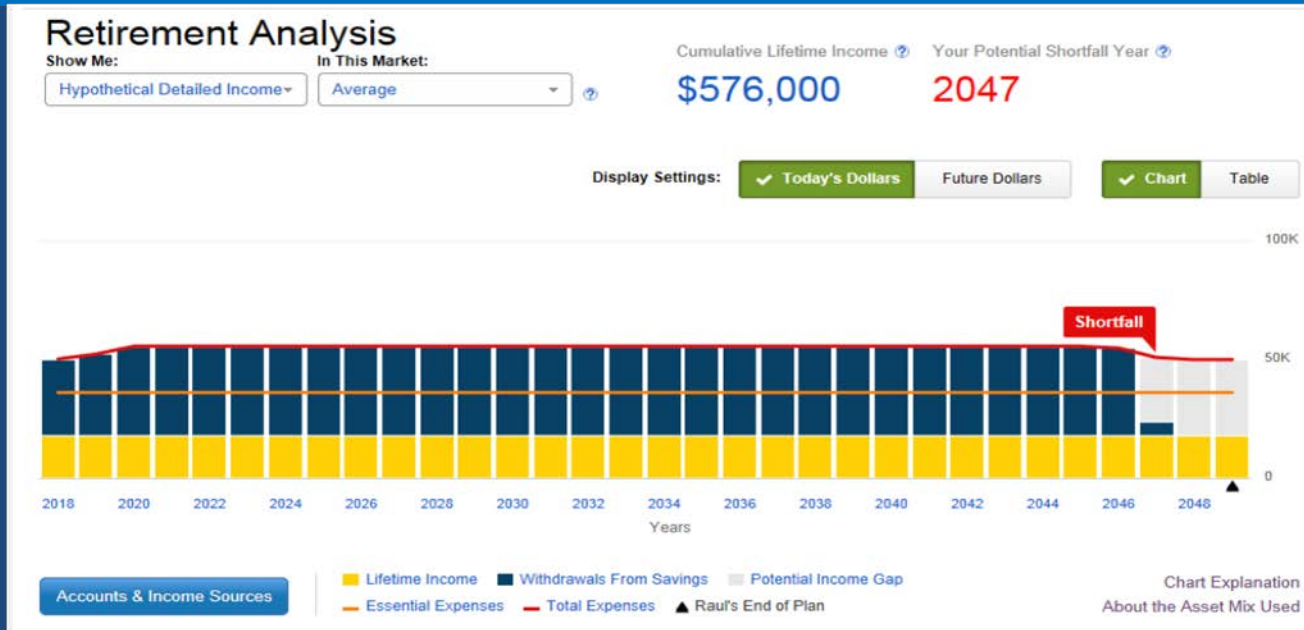
# HYPOTHETICAL EXAMPLE OF FIDELITY'S PLANNING & GUIDANCE CENTER OUTPUT: SOCIAL SECURITY ESTIMATE AT AGE 70



For illustrative purposes only.

IMPORTANT: The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

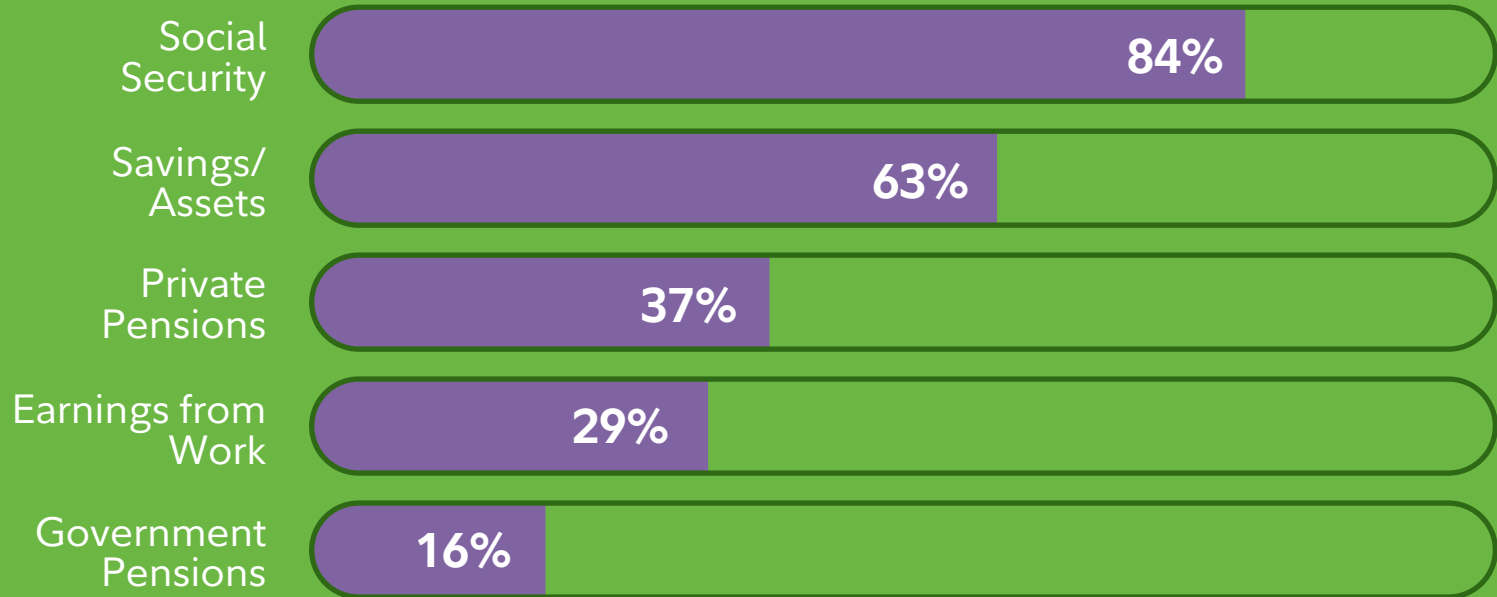
# HYPOTHETICAL EXAMPLE OF FIDELITY'S PLANNING & GUIDANCE CENTER OUTPUT: SOCIAL SECURITY ESTIMATE AT AGE 62



For illustrative purposes only.

IMPORTANT: The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

## AMERICANS AGE 65+ RECEIVE INCOME FROM A VARIETY OF SOURCES:





# CLAIMING STRATEGIES: **OVERVIEW**



## WE BELONG TO AT LEAST 1 OF 4 CATEGORIES:

- An individual
  - A spouse
  - An ex-spouse
- A surviving spouse



# CLAIMING STRATEGIES: **IF YOU'RE SINGLE**

## SCENARIOS TO CONSIDER



WAIT UNTIL 70 TO  
MAXIMIZE BENEFITS?



OTHER RESOURCES  
TO USE?



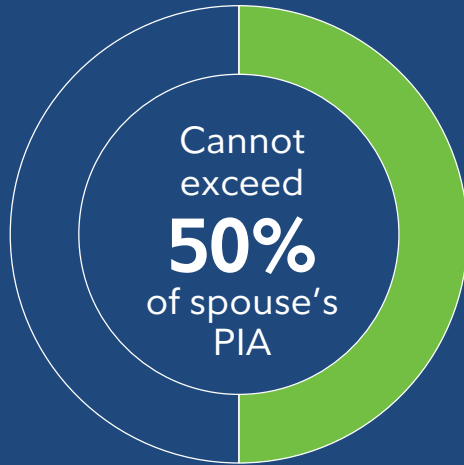
CONTINUE WORKING?





# CLAIMING STRATEGIES: IF YOU'RE MARRIED

## GENERAL RULE FOR SPOUSES

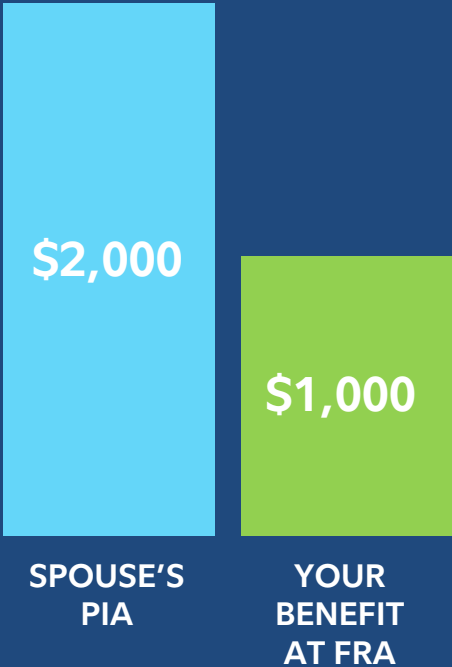


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**ALWAYS**  
A PENALTY WHEN  
YOU CLAIM EARLY.

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# A TRADITIONAL SCENARIO



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TOTAL BENEFIT IS

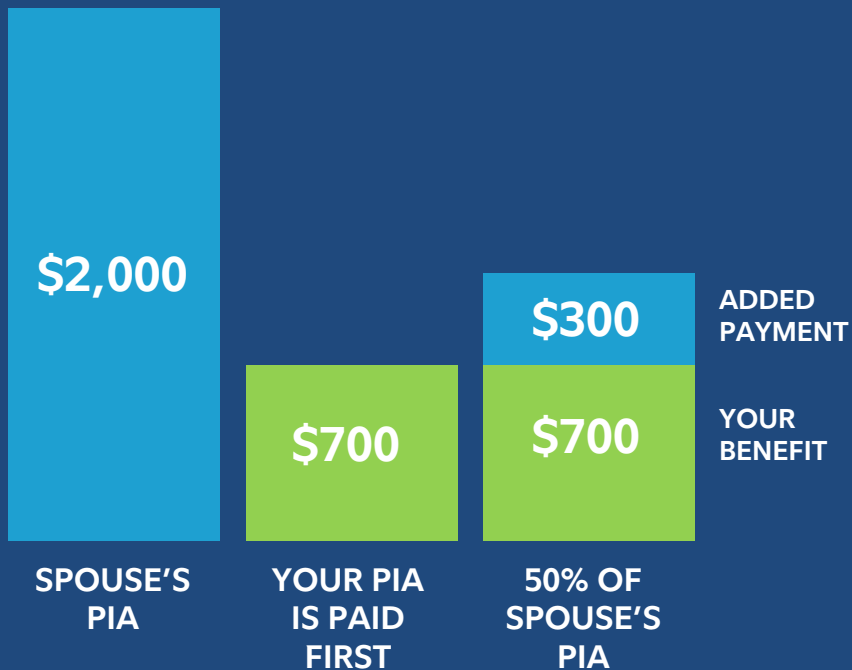
# 50%

OF YOUR SPOUSE'S  
PRIMARY INSURANCE  
AMOUNT (PIA) AT YOUR FRA

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Hypothetical example. For illustrative purposes only.

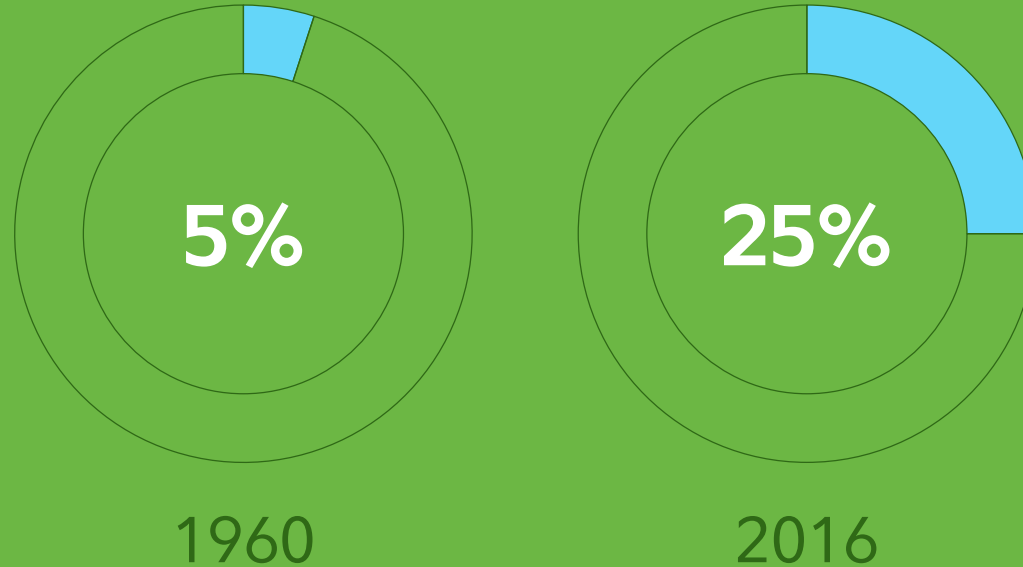
## CLAIMING ON A SPOUSE'S WORK RECORD



### Dually Entitled:

- Qualifies on own work record (earned 40 credits)
- Also qualifies as a spouse
- At FRA, receives larger of 50% of spouse's PIA amount or own PIA

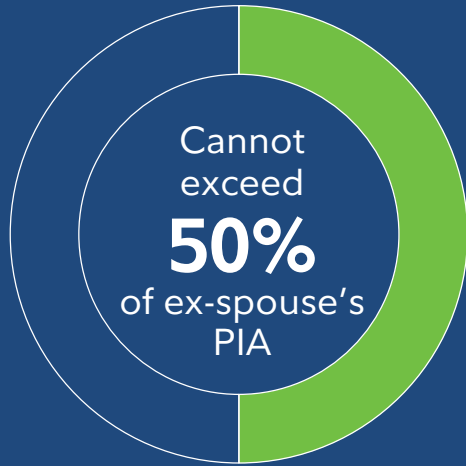
## THE PERCENTAGE OF WOMEN ELIGIBLE FOR DUAL BENEFITS IS ON THE RISE:





# CLAIMING STRATEGIES: **IF YOU'RE DIVORCED**

## GENERAL RULE FOR EX-SPOUSES



---

**ALWAYS**

A PENALTY WHEN  
YOU CLAIM EARLY.

---



## EX-SPOUSES MUST MEET CERTAIN CRITERIA:

- Were married 10 consecutive years or longer
  - Both are at least age 62
  - You have not remarried
- Divorced for 2+ years or ex is already claiming

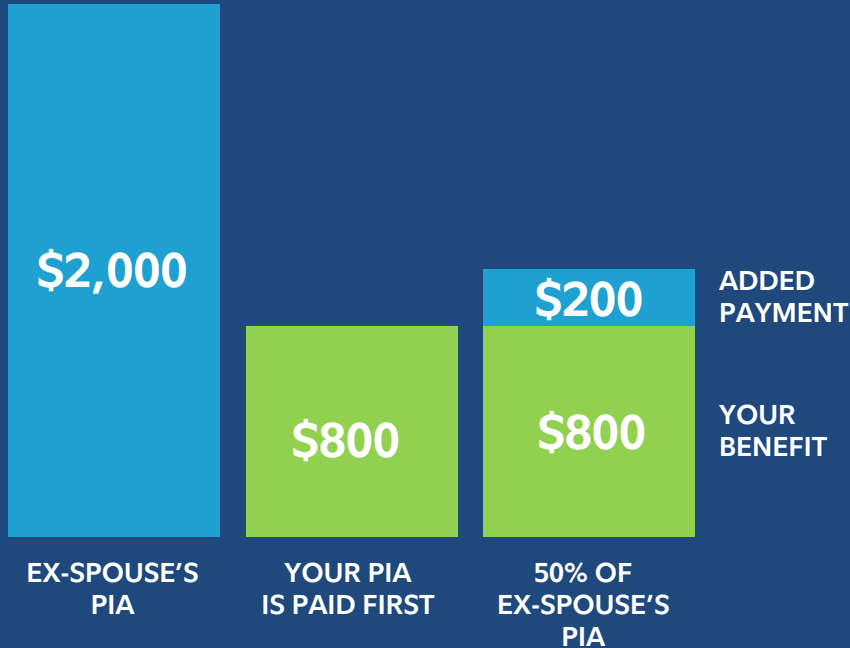




## EX-SPOUSE CONFIDENTIALITY:

- Between you and the SSA
  - Marriage certificate
  - Divorce decree
    - Ex's SSN
- Other required proof and documentation

## CLAIMING ON AN EX-SPOUSE'S WORK RECORD



Ex-spouse benefits apply whether you are the ex-wife or the ex-husband



# CLAIMING STRATEGIES: IF YOU'RE A SURVIVING SPOUSE

## SURVIVING SPOUSE BENEFITS

**Your spouse dies**

You “step into his/her shoes”  
(Only when the higher-earning  
spouse dies first)





## SURVIVOR BENEFIT CONSIDERATIONS:

- Survivor benefits available as early as age 60, reduced
- Can switch between survivor and individual benefits
  - You are responsible for notifying the SSA

## SURVIVING EX-SPOUSE BENEFITS

### Your ex-spouse dies

You “step into his/her shoes”  
if you were married 10 years or  
longer and you have not  
remarried (before age 60)  
(Only when the higher-earning  
ex-spouse dies first)



# IN 2016 THERE WERE 5.4 MILLION NEW SOCIAL SECURITY ENROLLEES



**2.86M**

Newly retired  
workers



**1.83M**

New surviving  
spouses and  
dependents



**700K**

Disabled  
workers



# HOW AND WHEN TO CLAIM

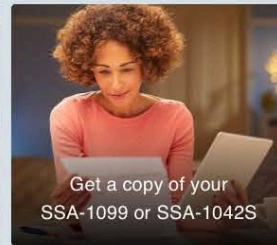
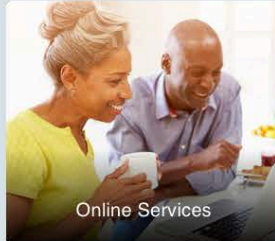


# ENROLLING ONLINE IS EASY TO DO



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP



my Social Security



Social Security Number



Retirement Estimator



Answers

## Your Social Security Checklist

Deciding when to claim Social Security is generally up to you. But for the most part, the decision is irreversible, so it's important to have the appropriate information before making your claim.

### Follow these three steps before enrolling in the Social Security program:

#### 1. USE SSA.GOV AS YOUR STARTING POINT:

- Set up your personal account, get access to your most current statement, and help protect your identity at [SSA.gov/mySocialSecurity](http://SSA.gov/mySocialSecurity)
- Sign up to receive Social Security Matters blog posts full of helpful information and updates.
- Find your Full Retirement Age (FRA)

#### 2. PREPARE TO TALK TO FIDELITY:

- Print your most current Social Security statement and check it for accuracy
- Consider whether to file as an individual, spouse, ex-spouse, or surviving spouse
- Confirm your Full Retirement Age and check whether you have 35 years of earnings

#### 3. GIVE FIDELITY A CALL WE CAN HELP YOU:

- Create your Retirement Income Plan, including Social Security
- Discuss your claiming options
- Answer questions and discuss your options for generating income throughout retirement

### When you're ready to enroll in Social Security:

- Allow three months between your application and the month of your first check.
- It takes about 15-20 minutes to fill out and submit the online form.

If divorced or widowed, you will need to make an appointment with your local SSA office.

- Check the status of your application in your personal [mySocialSecurity](http://mySocialSecurity) online account.

There's no charge to you for talking with us. Your employer offers this service at no additional cost on top of their retirement savings plan.

Call Fidelity at  
888-766-6813

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837391 1.0



Use our Social Security checklist to help make your claiming decisions



## YOUR FIDELITY REPRESENTATIVES

- Ready to answer your specific questions
- Can help you build your retirement income plan
  - No charge to meet

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

## Investing involves risk, including risk of loss.

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## **YOUR NEXT STEPS:**

1. Sign up at [SSA.gov/MySocialSecurity](https://SSA.gov/MySocialSecurity)
2. Organize your financial picture
3. Call Fidelity today: 888-766-6813