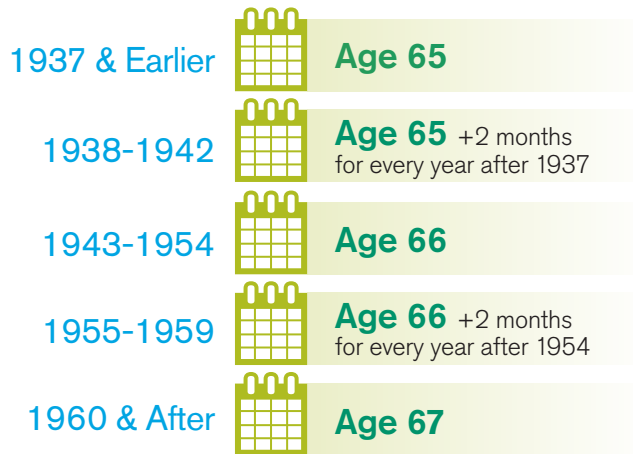


# Five Facts You Wish You Knew About Social Security

**FINANCIAL FYI\***

## 1) Full Retirement Age doesn't mean 65.

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



Source: Social Security Administration (ssa.gov) as of September 2018.

## 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 (see reverse for spousal examples). Learn more at [www.ssa.gov](http://www.ssa.gov).

**40**  
CREDITS  
Needed to Qualify

**1** CREDIT  
= \$1,320\*

**4** CREDITS  
max per year

**10** YEARS  
needed at least

\*2018 wages/self-employment income

Source: How You Earn Credits, 2018, [www.ssa.gov](http://www.ssa.gov).

## 3) Drawing Social Security early may not be the best.

You can start before your Full Retirement Age, but delaying your benefits lets you collect more.\*

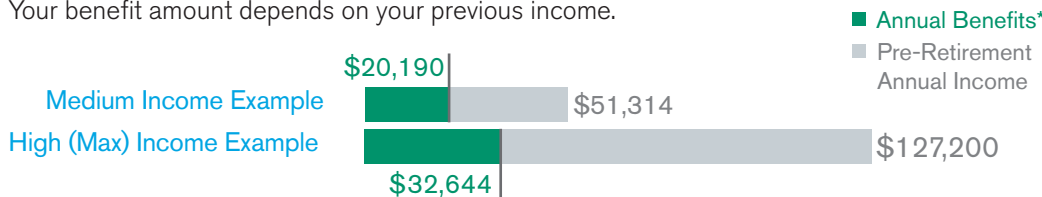
If you **start** at age...



\*Assumes Full Retirement Age is 66. Increased benefits for delaying Social Security max out at age 70. Source: [www.ssa.gov](http://www.ssa.gov).

## 4) Everyone doesn't get the same benefit.

Your benefit amount depends on your previous income.



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

## Your benefit...

≈ is based on the average of the best 35 years of your earnings.\*\*

⊕ can be increased to reflect cost of living adjustments, 2.1% 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 2017 for retired worker, age 66. Source: 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2017 Table V. C7. Source: [www.ssa.gov](http://www.ssa.gov).

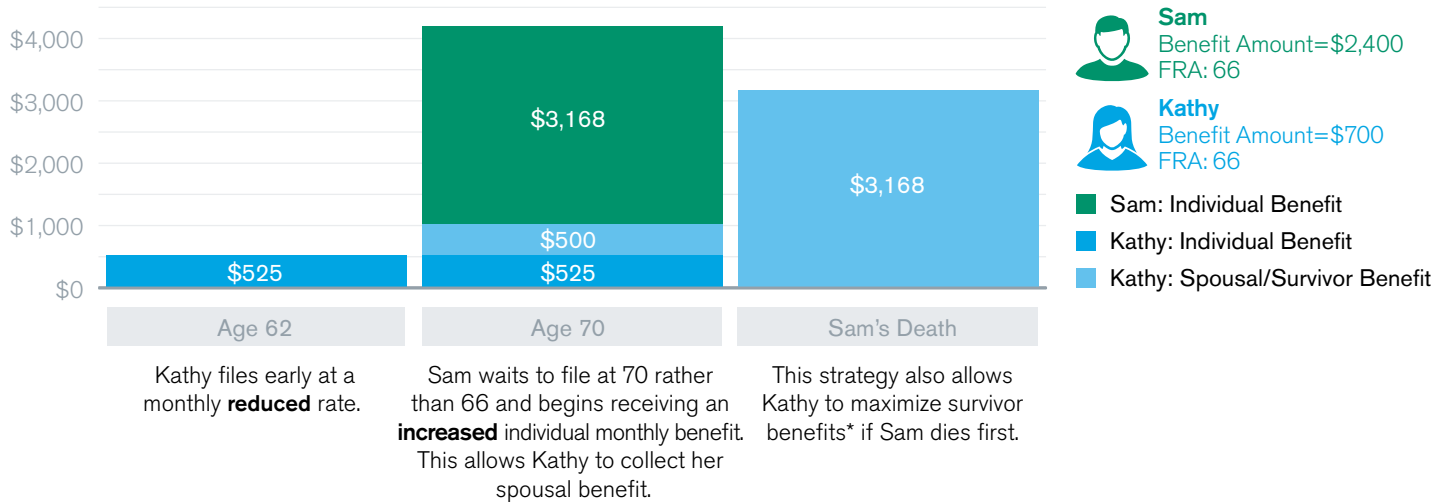
\*\*The Social Security Administration adjusts or "indexes" your earnings to account for changes in average wages over time.

\*\*\*Social Security Cost of Living Adjustment (COLA) as of 2017.

## 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 helps determine how and when to take Social Security.

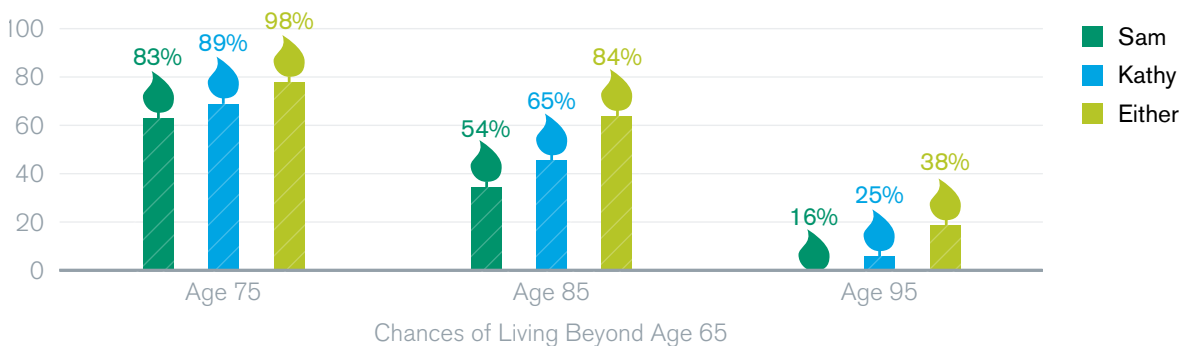
### Spousal Benefits Can Boost Your Bottom Line



## Paying bills after age 85—Will your money last to cover expenses?

Your retirement years may be longer than you think. In general, women have longer life expectancies than men. You should plan for your longevity as a couple versus planning as individuals.

### Plan for Longevity as a Couple



## The Bottom Line

Taking Social Security at age 62 might not be the best choice. Evaluate your options and make Social Security a part of your overall retirement planning strategy. Knowing when to claim benefits can give you a better chance of making your retirement money last.

Sources: American Century Investments, 2018. Society of Actuaries and American Academy of Actuaries, 2018 ([www.longevityillustrator.org](http://www.longevityillustrator.org)).

\*Surviving spouse benefits are similar to spousal benefits except they will receive the higher of their own benefit or their deceased spouse's benefit. The surviving spouse must be at least 60 years old and the couple must have been married for at least nine months prior to the non-surviving spouse's death (with exception for accidents).

*This material has been prepared for educational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal or tax advice.*

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