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Social Security Planning

What you need to know to maximize retirement income

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SOCIAL SECURITY BASICS

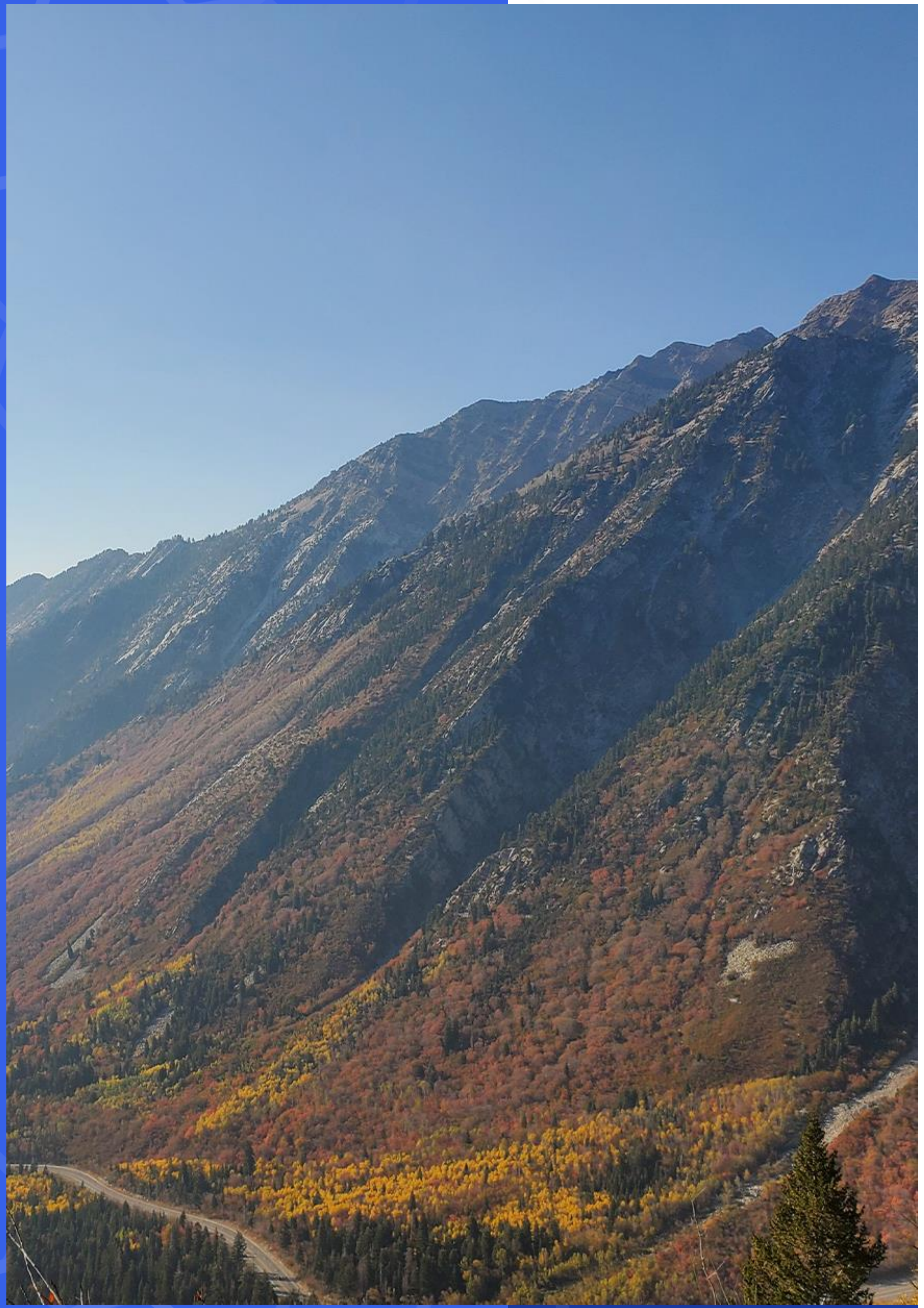
Social Security Planning

WHAT WE WILL COVER:

- **How does the repeal of the WEP/GPO affect me and my plan?**
- What are the retirement benefits of Social Security?
- Will Social Security be there for me?
- How much can I expect to receive?
- When should I apply for Social Security?
- What spousal planning techniques apply to me?
- **How can I optimize income in retirement by opting in/out?**

SOCIAL SECURITY PLANNING

SOCIAL SECURITY Fairness Act 2025



WEP/GPO Eliminated

- 2.8 million public servants impacted by WEP/GPO
- Average increase of $360/month in Social Security benefits
- Retroactive benefits starting January 2024

- https://www.nea.org/nea-today/all-news-articles/landmark-victory-gpo-and-wep-repealed

SOCIAL SECURITY PLANNING

BENEFITS OF SOCIAL SECURITY

- Lifetime income
- Annual income adjustments (COLA)
- Spousal and survivor benefits
- Potential delayed credits
- Potential tax advantages

COST OF LIVING ADJUSTMENTS

SOCIAL SECURITY COST-OF-LIVING ADJUSTMENTS

YEAR	COLA	YEAR	COLA	YEAR	COLA
1975	8.0	1995	2.6	2015	0.0
1976	6.4	1996	2.9	2016	0.3
1977	5.9	1997	2.1	2017	2.0
1978	6.5	1998	1.3	2018	2.8
1979	9.9	1999 [a]	2.5	2019	1.6
1980	14.3	2000	3.5	2020	1.3
1981	11.2	2001	2.6	2021	5.9
1982	7.4	2002	1.4	2022	8.7
1983	3.5	2003	2.1	2023	3.2
1984	3.5	2004	2.7	2024	2.5
1985	3.1	2005	4.1		
1986	1.3	2006	3.3		
1987	4.2	2007	2.3		
1988	4.0	2008	5.8		
1989	4.7	2009	0.0		
1990	5.4	2010	0.0		
1991	3.7	2011	3.6		
1992	3.0	2012	1.7		
1993	2.6	2013	1.5		
1994	2.8	2014	1.7		

[a] The COLA for December 1999 was originally determined as 2.4 percent based on CPIs published by the Bureau of Labor Statistics to Public Law 106-554, however, this COLA is effectively now 2.5 percent.

IS YOUR SOCIAL SECURITY INCOME TAXABLE?

Joint Filing Status

OTHER INCOME	SOCIAL SECURITY INCOME: $10,000	$20,000	$30,000	$40,000	$50,000	$60,000
$10,000	0%	0%	0%	0%	3%	7%
$20,000	0%	0%	5%	10%	14%	19%
$30,000	15%	20%	23%	28%	31%	33%
$40,000	59%	56%	51%	49%	48%	47%
$50,000	85%	85%	80%	70%	65%	61%
$60,000	85%	85%	85%	85%	82%	75%
$70,000	85%	85%	85%	85%	85%	85%
$80,000	85%	85%	85%	85%	85%	85%

Personal tax calculations are complex. The figures in this presentation are hypothetical examples of various tax situations. You should consult your tax advisor to review your personal tax situation.

SOCIAL SECURITY PLANNING

WILL SOCIAL SECURITY BE THERE FOR ME?

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SOCIAL SECURITY FUND STATUS

$2.830

TRILLION

Trust fund balance on 12/31/22

$1.351

TRILLION

Total 2023 income

$1.392

TRILLION

Total 2023 expenditures

-$41

BILLION

2023 Net decrease in assets

$2.788

TRILLION

Trust fund balance on 12/31/23

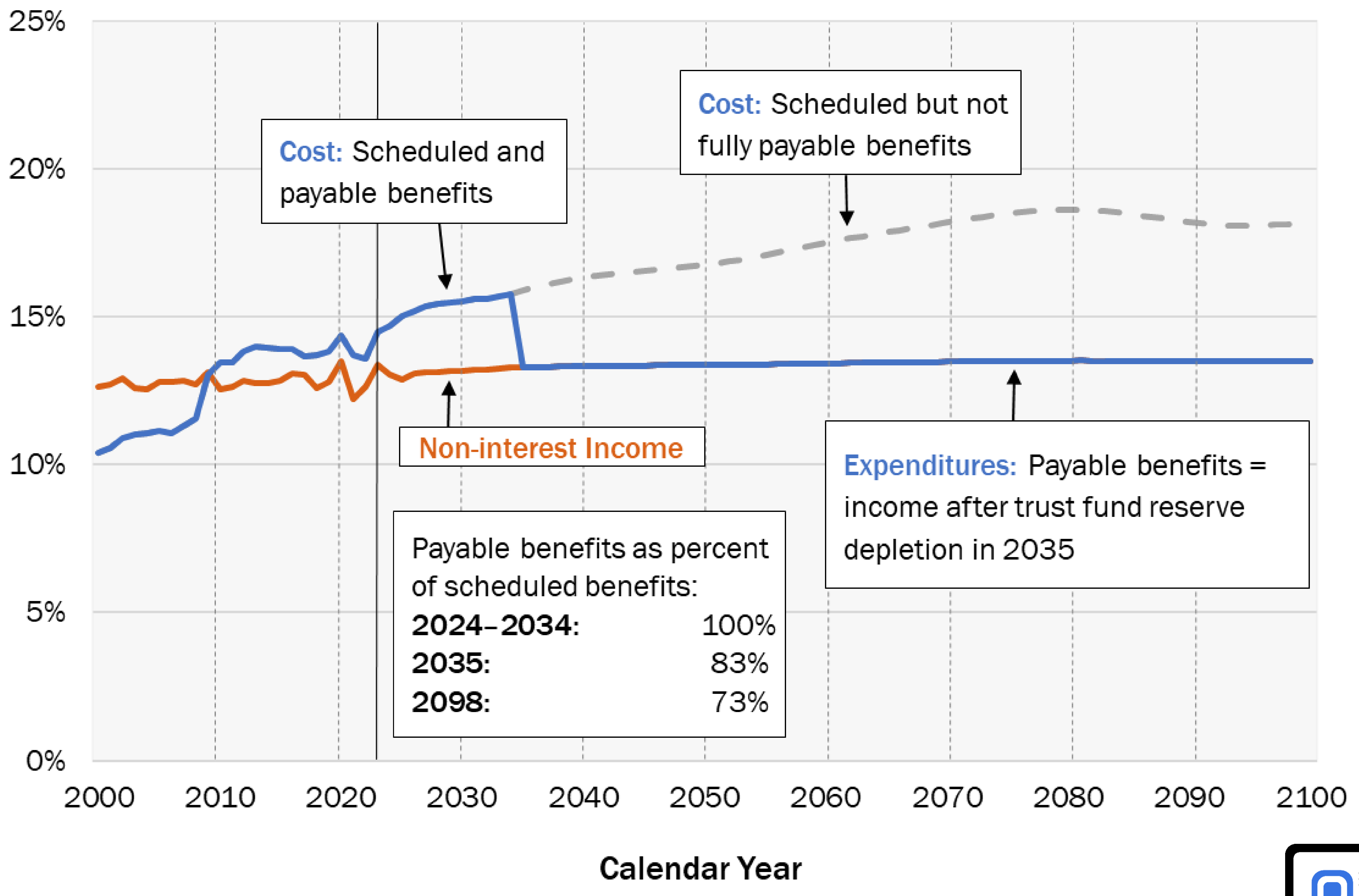
TRUST FUND PROJECTIONS

Long-term projections: without reform, benefits fall to 83% in 2035

OASDI Income, Cost and Expenditures as Percentages of Taxable Payroll [Under Intermediate Assumptions]

OASDI Income, Cost and Expenditures as Percentages of Taxable Payroll

[Under Intermediate Assumptions]



Source: 2024 OASDI Trustees Report

Source: https://www.savvysocialsecurity.com/presentations.aspx

WHAT WOULD IT TAKE TO RESTORE SOLVENCY TO THE SYSTEM?

Reform proposals being studied

Increase maximum earnings subject to Social Security tax (currently $176,100 in 2025)

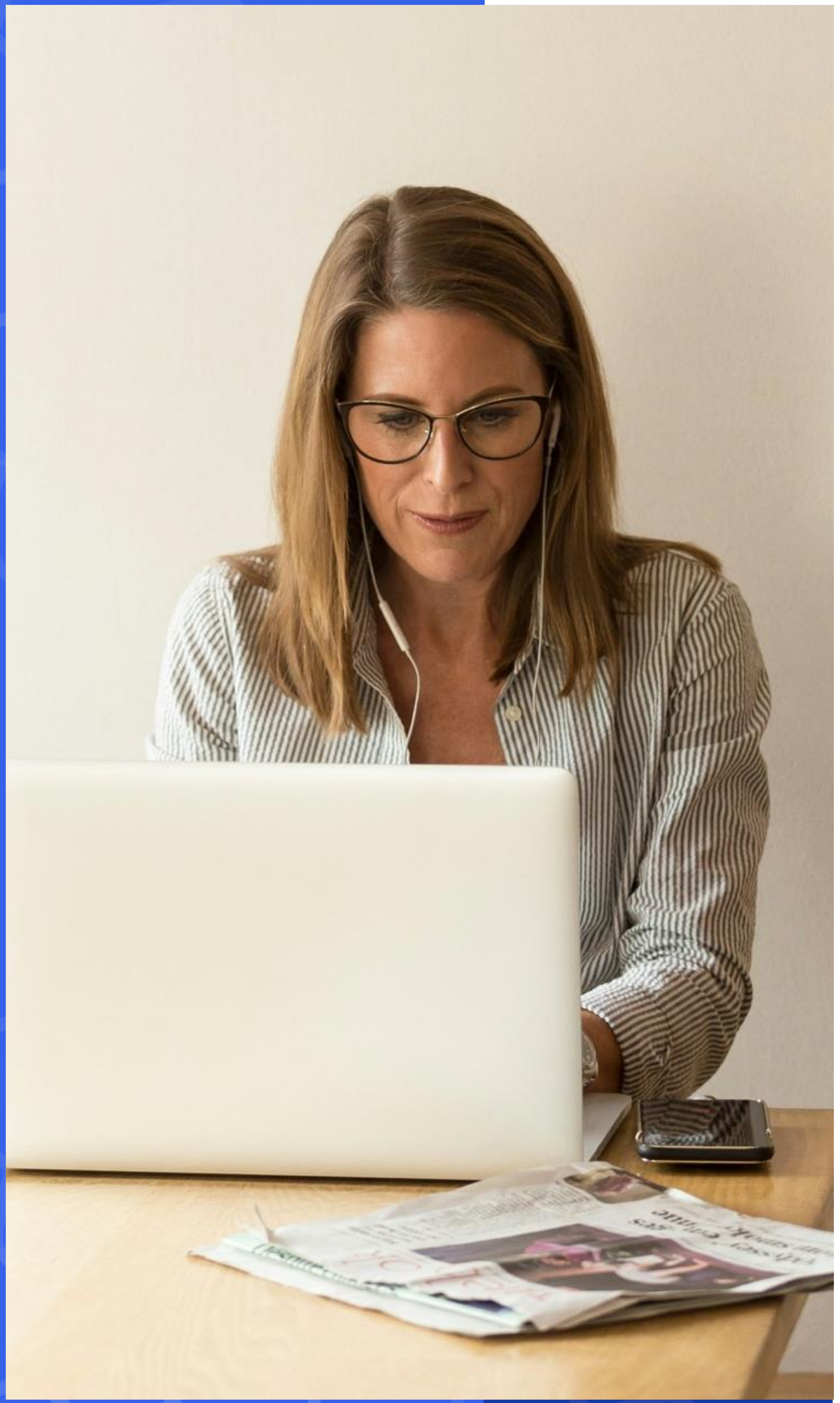
Lower benefits for future retirees (escalate benefits based on increases in consumer prices rather than wages)

Reduce cost-of-living adjustments (COLAs) for all retirees

Raise the normal retirement age (currently 66 for individuals born between 1943-1954 increasing to 67 for those born 1960 or later)

HOW MUCH CAN I EXPECT?

Social Security Planning

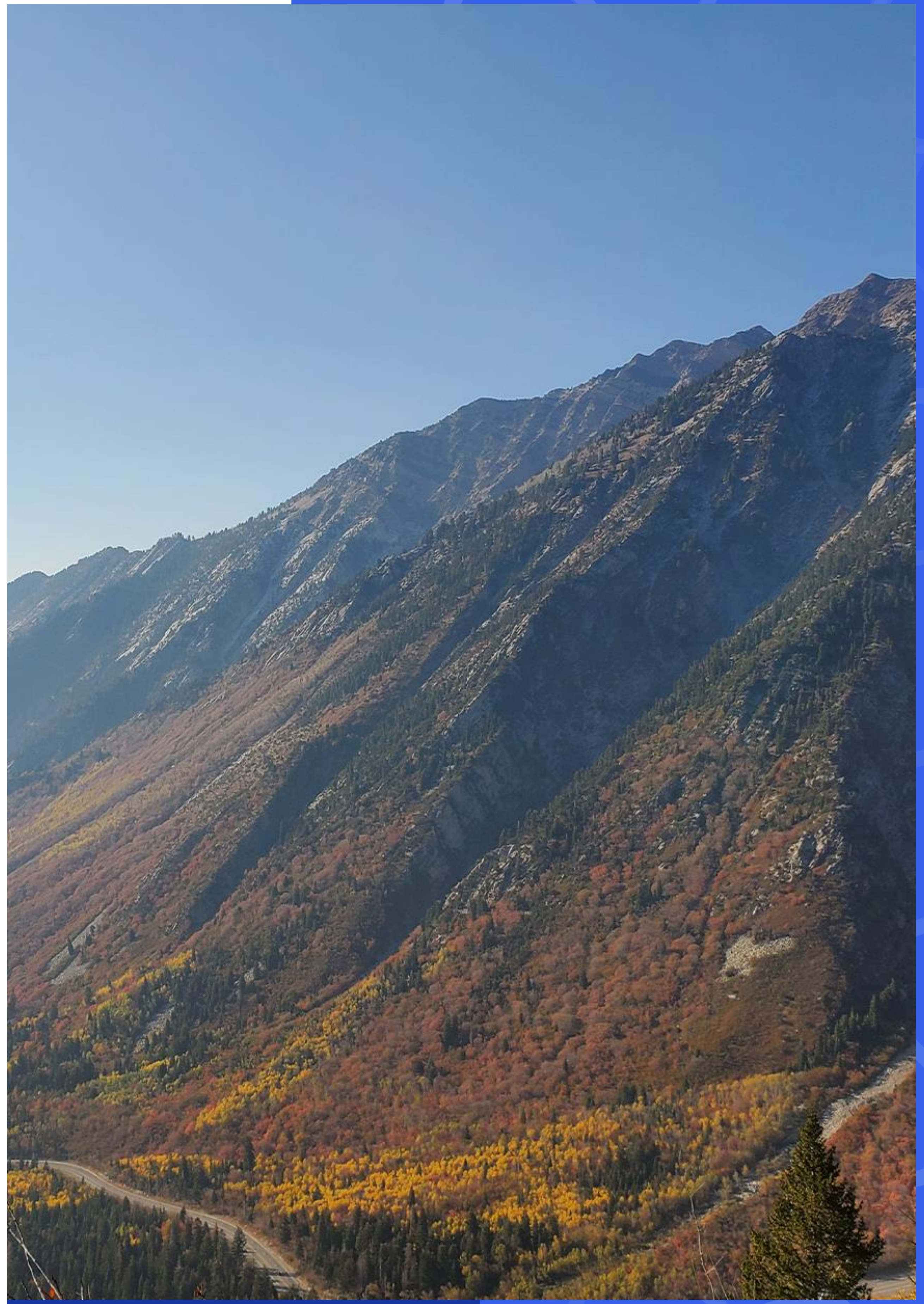


HOW ARE MY BENEFITS CALCULATED

- How much you earned over your working career
- PIA (Primary Insurance Amount)
- The age at which you apply for benefits

FULL RETIREMENT AGE (FRA)

YEAR OF BIRTH	FULL RETIREMENT AGE
1943-54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67



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CONSEQUENCES OF FILING EARLY

You will receive a percentage of your PIA

APPLY AT AGE	IF FRA = 66	IF FRA = 67
62	75.0%	70%
63	80.0%	75%
64	86.7%	80%
65	93.3%	86.7%
66	100%	93.3%
67		100%

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WHAT IF YOU APPLY AFTER FRA

You will receive 8% annual delayed credits

APPLY AT AGE	BENEFIT WILL BE % OF PIA IF FRA = 66	BENEFIT WILL BE % OF PIA IF FRA = 67
66	100%	
67	108%	100%
68	116%	108%
69	124%	116%
70	132%	124%

SOCIAL SECURITY PLANNING

ESTIMATE YOUR SS AND FIND YOUR PIA

- Obtain your annual Social Security statement at www.socialsecurity.gov/mystatement
- To get a specialized review, find your full earnings history on the SSA.gov website

SPOUSAL BENEFITS

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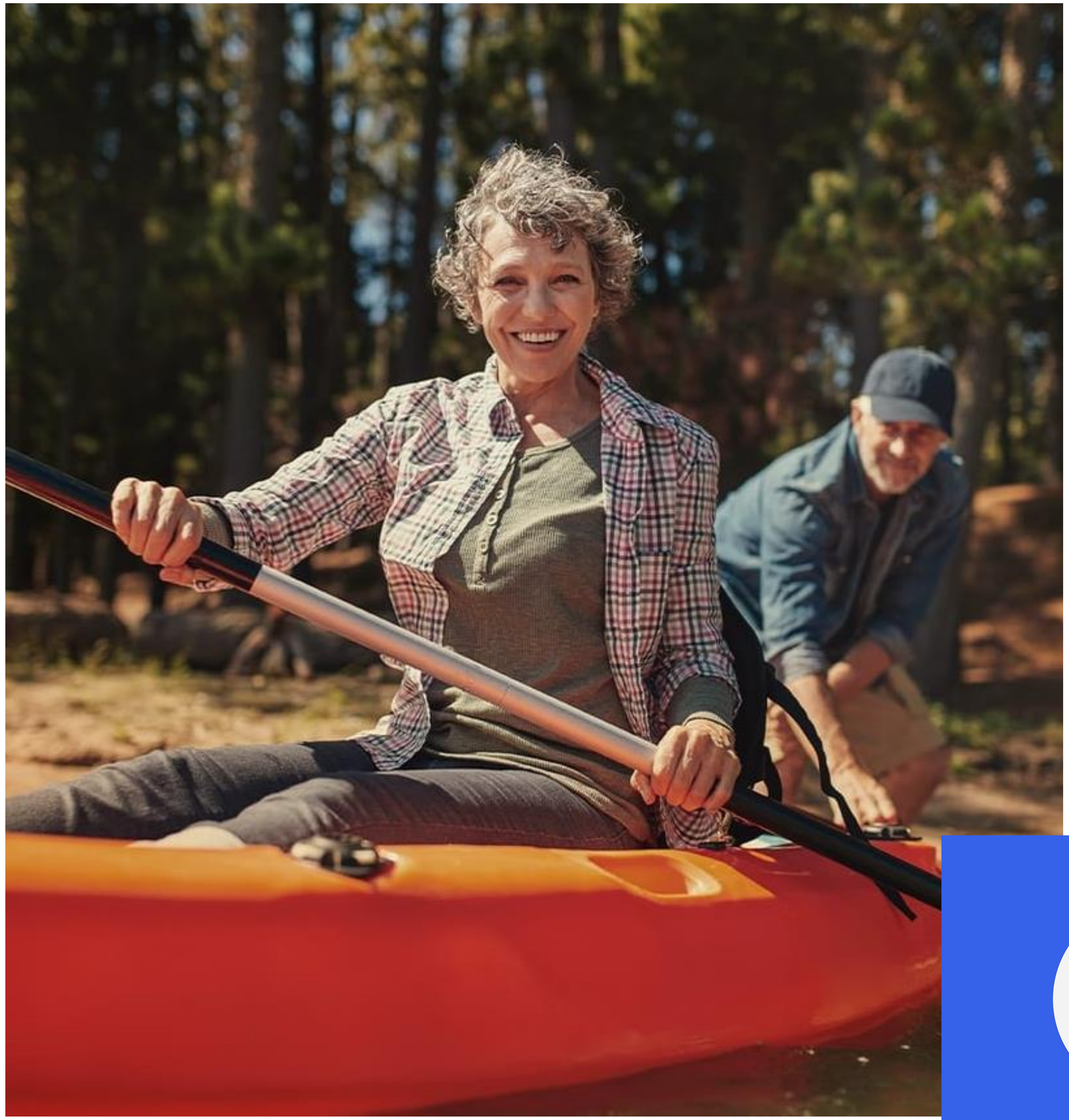
SPOUSAL BENEFITS

Spousal benefit = 1/2 the primary worker's PIA if started at full retirement age



EXAMPLE:

John’s PIA is
$2000

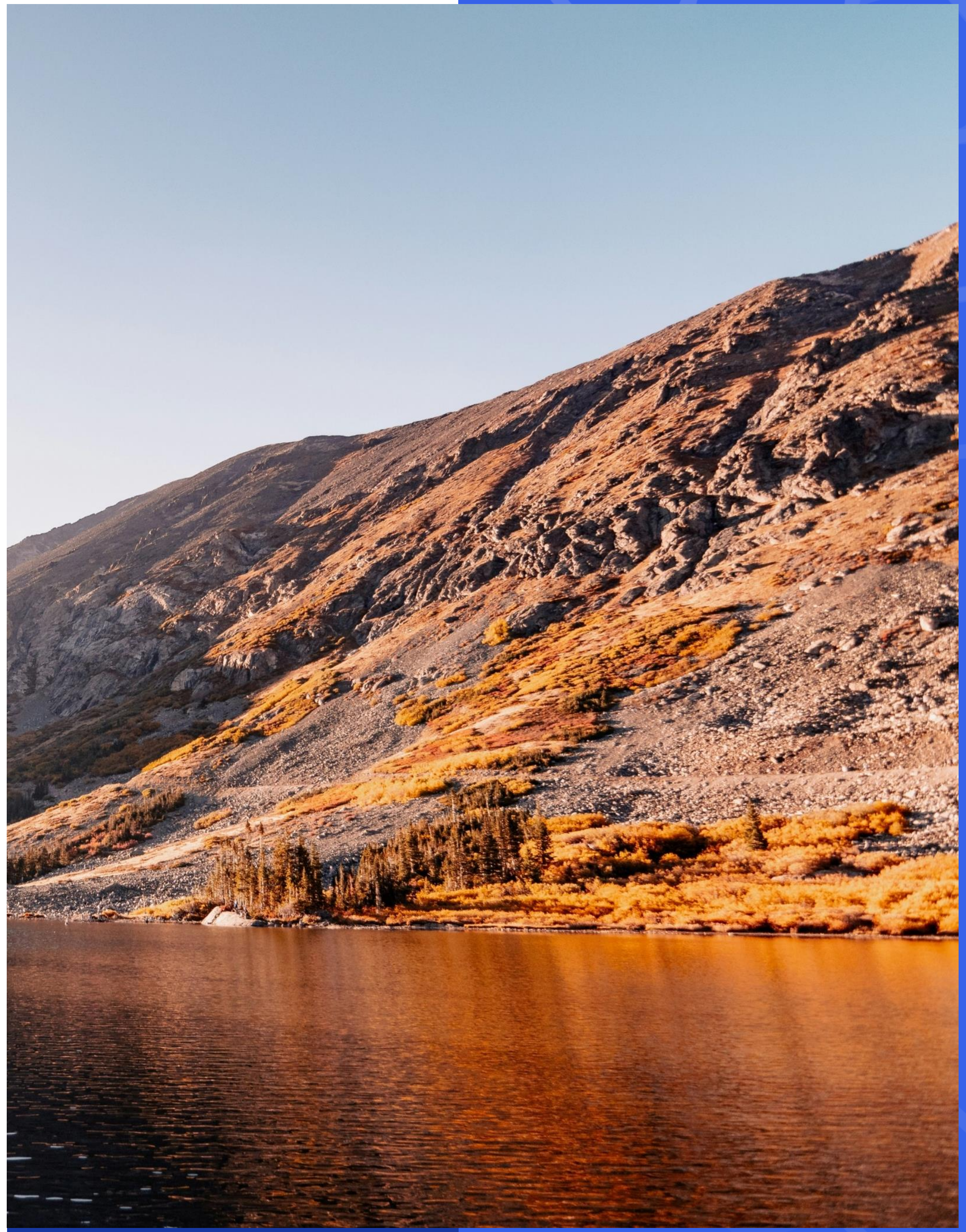
Jane’s PIA is
$800

If Jane applies at FRA, her benefit will be
$1000
50% of John’s PIA

SOCIAL SECURITY PLANNING

RULES OF SPOUSAL BENEFITS

- Primary worker must have filed for benefits
- Spouse must be at least 62 for reduced benefit or Full Retirement Age (FRA) for full benefit
- No delayed credits on spousal benefits after FRA



SOCIAL SECURITY PLANNING

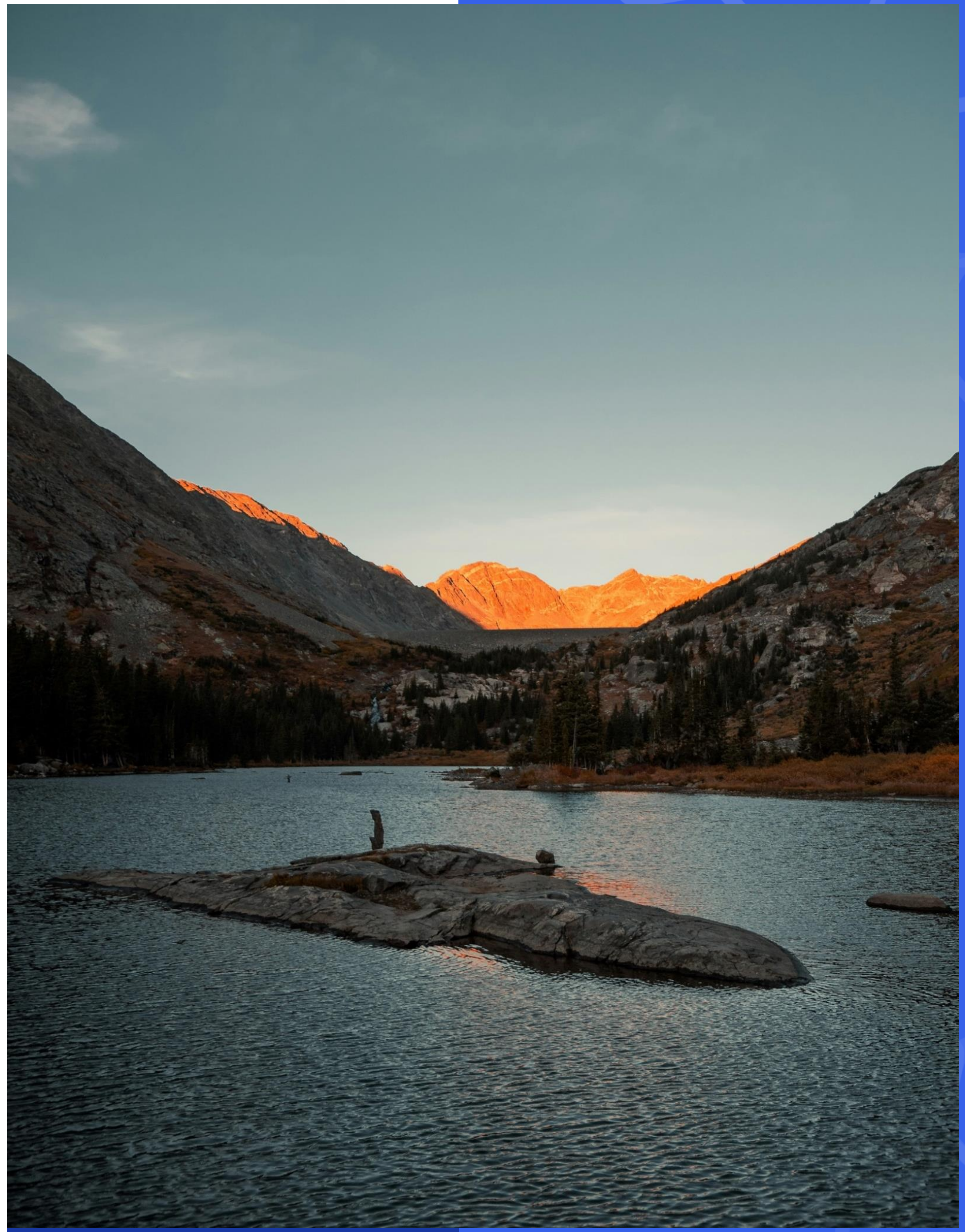
DIVORCED-SPOUSE BENEFITS

Same as spousal benefits if:

- Marriage lasted 10 years or more
- Person receiving divorced-spouse benefit is currently unmarried
- The ex-spouse is at least age 62
- If divorce was more than two years ago ex-spouse does not need to have filed for benefits

RULES OF DIVORCED-SPOUSE BENEFITS

- More than one ex-spouse can receive benefits on the same worker's record
- Benefits paid to one ex-spouse do not affect those paid to the worker, the current spouse, or other ex-spouses
- Divorced-spouse benefits stop upon remarriage of spouse collecting benefits (not upon remarriage of primary worker spouse)



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SURVIVOR BENEFITS

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SURVIVOR BENEFITS

If spouse dies while both are receiving benefits, widow(er) may switch to the higher benefit

EXAMPLE:

- **Joe and Julie are married. Both are over full retirement age.**

Julie's benefit is **$2,000**

Joe's benefit is **$1,200**

- **Julie dies.**

Joe notifies Social Security and his $1,200 benefits is replaced by her $2,000 Survivor Benefit

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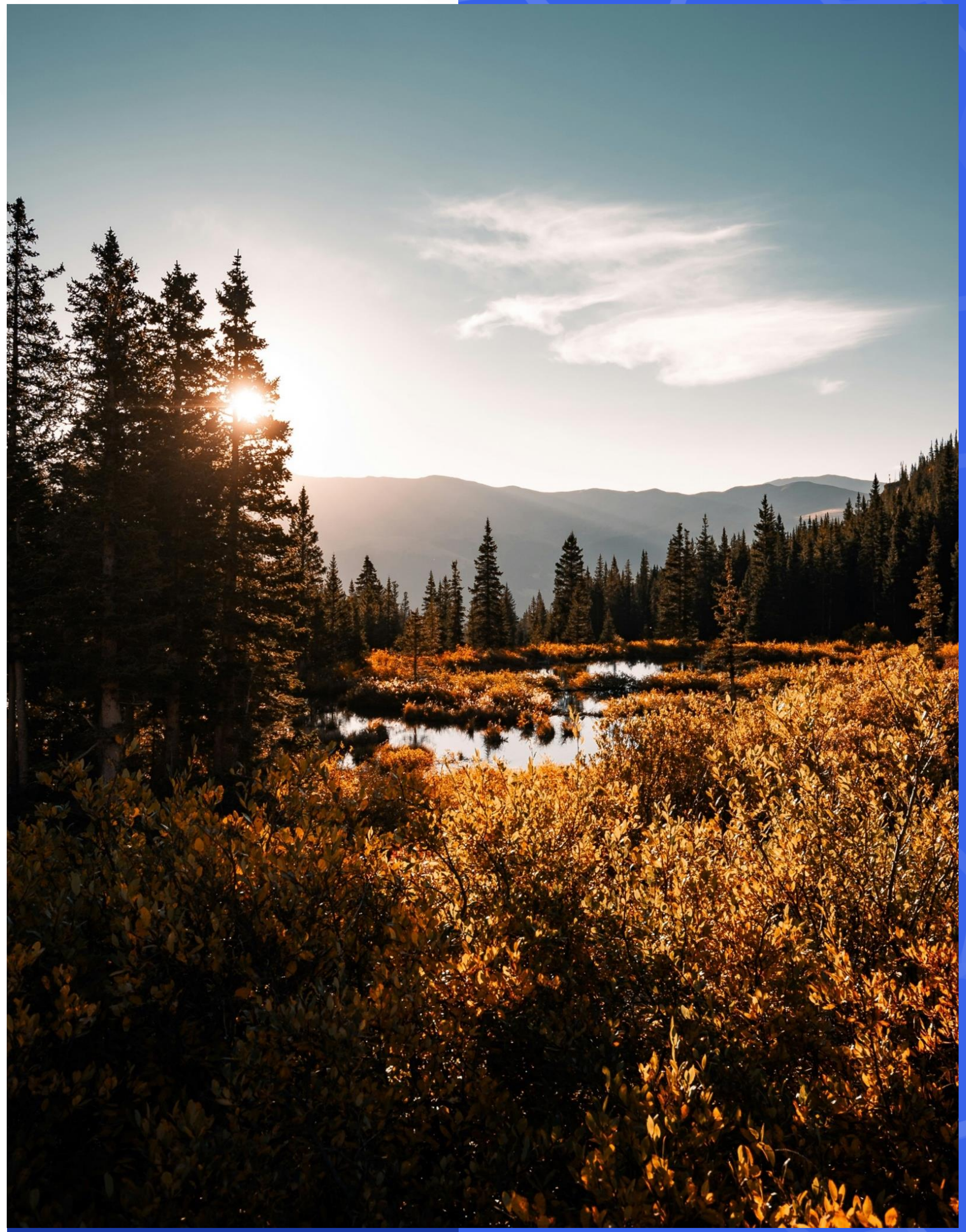
RULES OF SURVIVOR BENEFITS

- Couple must have been married at least 9 months at date of death (except in case of accident)
- Survivor must be at least 60 for reduced benefit (50 if disabled), or FRA for full benefit
- Survivor benefit not available if widow(er) remarries before age 60 (or 50 for disabled survivor), unless that marriage ends
- Divorced-spouse survivor benefit available if the marriage lasted at least 10 years
- With the GPO being eliminated, you may want to claim a spousal and opt out of your own



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How to maximize retirement income…
it's complicated…let us help.

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PIA Calculator

2025 Version			
DOB	6/16/1970	Salary	$ 100,000
Eligibility Year	2032	Starting Year	2026
SS Assumed COLA	1.50%	Ending Year	2037
FRA Year	2037	Annual Increase	3%
Current Planning Year	2025	Include FRA Year?	☑
Bendpoint Increase Assumption	4%	2%	
Lifelong Averages	4.23%	2.06%	

PIA (today's dollars based on 2032's bendpoints)	$ 2,502
Adjusted for actual COLA through 2025	$ 2,502
Adjusted for assumed COLA until FRA	$ 2,696

		2032	
	% of income	Bottom	Top
Tier 1	90%	$ -	$ 1,638.00
Tier 2	32%	$ 1,638.00	$ 8,525.00
Tier 3	15%	$ 8,525.00	to max

Bendpoints based on year of Eligibility: 2032	$ 4,850.38		PIA
	$ 1,638.00	90%	$ 1,474.20
	$ 3,212.38	32%	$ 1,027.96
	$ -	15%	$ -
	AIME		$ 2,502.16

90% Bendpoint	32% Bendpoint	
$ 687,960.00	$ 3,580,500.00	
$ 249,886.42	$ 1,300,538.29	Earnings in 2000

Which Bendpoint for Analysis?	Calculate from PIA on SS Statement
PIA on Current SS Statement	$ 1,700
Calculated AIME	$3,090
Calculated Inflation Adj Earnings	$1,297,958

Actual SS Earnings	Opt In	Age	Year	Calculated Earnings	Indexing Factor	Inflation Adjusted Earnings	Rank of year	If in top 35	Ave Monthly
$0	☑	67	2037	$138,423	1.0	$138,423	1	$138,423	$11,535
$0	☐	66	2036	$0	1.0	$0	7	$0	$0
$0	☑	65	2035	$130,477	1.0	$130,477	2	$130,477	$10,873
$0	☐	64	2034	$0	1.0	$0	7	$0	$0
$0	☑	63	2033	$122,987	1.0	$122,987	3	$122,987	$10,249
$0	☐	62	2032	$0	1.0	$0	7	$0	$0
$0	☑	61	2031	$115,927	1.0	$115,927	5	$115,927	$9,661
$0	☐	60	2030	$0	1.0	$0	7	$0	$0
$0	☑	59	2029	$109,273	1.0	$114,017	6	$114,017	$9,501
$0	☐	58	2028	$0	1.1	$0	7	$0	$0
$0	☑	57	2027	$103,000	1.1	$117,371	4	$117,371	$9,781
$0	☐	56	2026	$0	1.2	$0	7	$0	$0
$0	☐	55	2025	$0	1.2	$0	7	$0	$0
$0	☐	54	2024	$0	1.3	$0	7	$0	$0
$0	☐	53	2023	$0	1.3	$0	7	$0	$0
$0	☐	52	2022	$0	1.4	$0	7	$0	$0
$0	☐	51	2021	$0	1.5	$0	7	$0	$0
$0	☐	50	2020	$0	1.6	$0	7	$0	$0
$0	☐	49	2019	$0	1.6	$0	7	$0	$0
$0	☐	48	2018	$0	1.7	$0	7	$0	$0
$0	☐	47	2017	$0	1.8	$0	7	$0	$0
$0	☐	46	2016	$0	1.8	$0	7	$0	$0
$0	☐	45	2015	$0	1.8	$0	7	$0	$0
$0	☐	44	2014	$0	1.9	$0	7	$0	$0
$0	☐	43	2013	$0	2.0	$0	7	$0	$0
$0	☐	42	2012	$0	2.0	$0	7	$0	$0
$0	☐	41	2011	$0	2.1	$0	7	$0	$0
$0	☐	40	2010	$0	2.1	$0	7	$0	$0
$0	☐	39	2009	$0	2.2	$0	7	$0	$0
$0	☐	38	2008	$0	2.1	$0	7	$0	$0
$0	☐	37	2007	$0	2.2	$0	7	$0	$0
$0	☐	36	2006	$0	2.3	$0	7	$0	$0
$0	☐	35	2005	$0	2.4	$0	7	$0	$0
$0	☐	34	2004	$0	2.5	$0	7	$0	$0
$0	☐	33	2003	$0	2.6	$0	7	$0	$0
$0	☐	32	2002	$0	2.7	$0	7	$0	$0
$0	☐	31	2001	$0	2.7	$0	7	$0	$0
$0	☐	30	2000	$0	2.8	$0	7	$0	$0
$0	☐	29	1999	$0	2.9	$0	7	$0	$0
$0	☐	28	1998	$0	3.1	$0	7	$0	$0
$0	☐	27	1997	$0	3.2	$0	7	$0	$0
$0	☐	26	1996	$0	3.4	$0	7	$0	$0
$0	☐	25	1995	$0	3.6	$0	7	$0	$0

Equivalent Assumption	4%	Spousal
Return Assumption	6%	Mortality
SS w/ 100% Opt-in	$ 3,293	Assumes FRA
New SS	$ 2,696	
Monthly Difference	$ 597.06	
Annual Difference	$ 7,164.71	
Equivalent	$ 179,117.63	
Portfolio Value	$ 95,103.96	
Portfolio Difference	$ (84,013.67)	

2080	$ -	$ -	$ -
2079	$ -	$ -	$ -
2078	$ -	$ -	$ -
2077	$ -	$ -	$ -
2076	$ -	$ -	$ -
2075	$ -	$ -	$ -
2074	$ -	$ -	$ -
2073	$ -	$ -	$ -
2072	$ -	$ -	$ -
2071	$ -	$ -	$ -
2070	$ -	$ -	$ -
2069	$ -	$ -	$ -
2068	$ -	$ -	$ -
2067	$ -	$ -	$ -
2066	$ -	$ -	$ -
2065	$ -	$ -	$ -
2064	$ -	$ -	$ -
2063	$ -	$ -	$ -
2062	$ -	$ -	$ -
2061	$ -	$ -	$ -
2060	$ -	$ -	$ -
2059	$ -	$ -	$ -
2058	$ -	$ -	$ -
2057	$ -	$ -	$ -
2056	$ -	$ -	$ -
2055	$ -	$ -	$ -
2054	$ -	$ -	$ -
2053	$ -	$ -	$ -
2052	$ -	$ -	$ -

ARUP Planning Optimization

Social Security

Healthcare Decisions

Investment Audit

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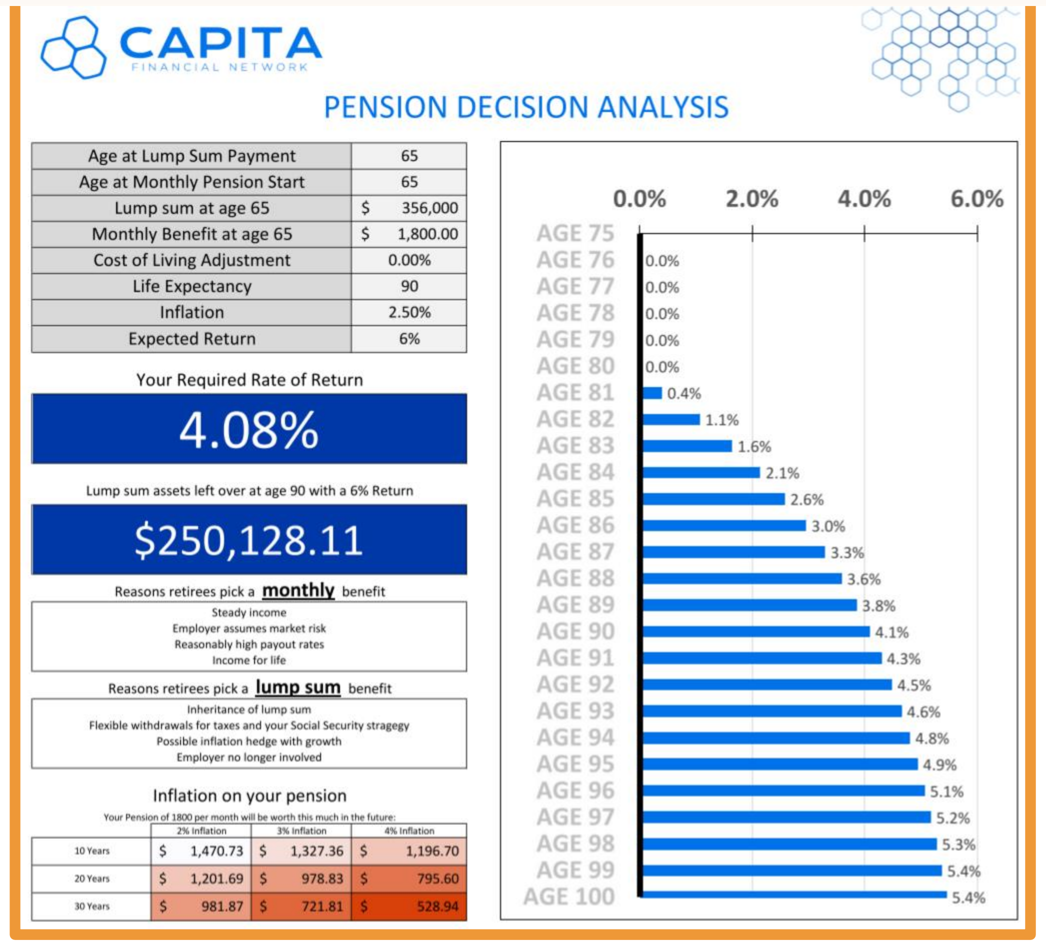
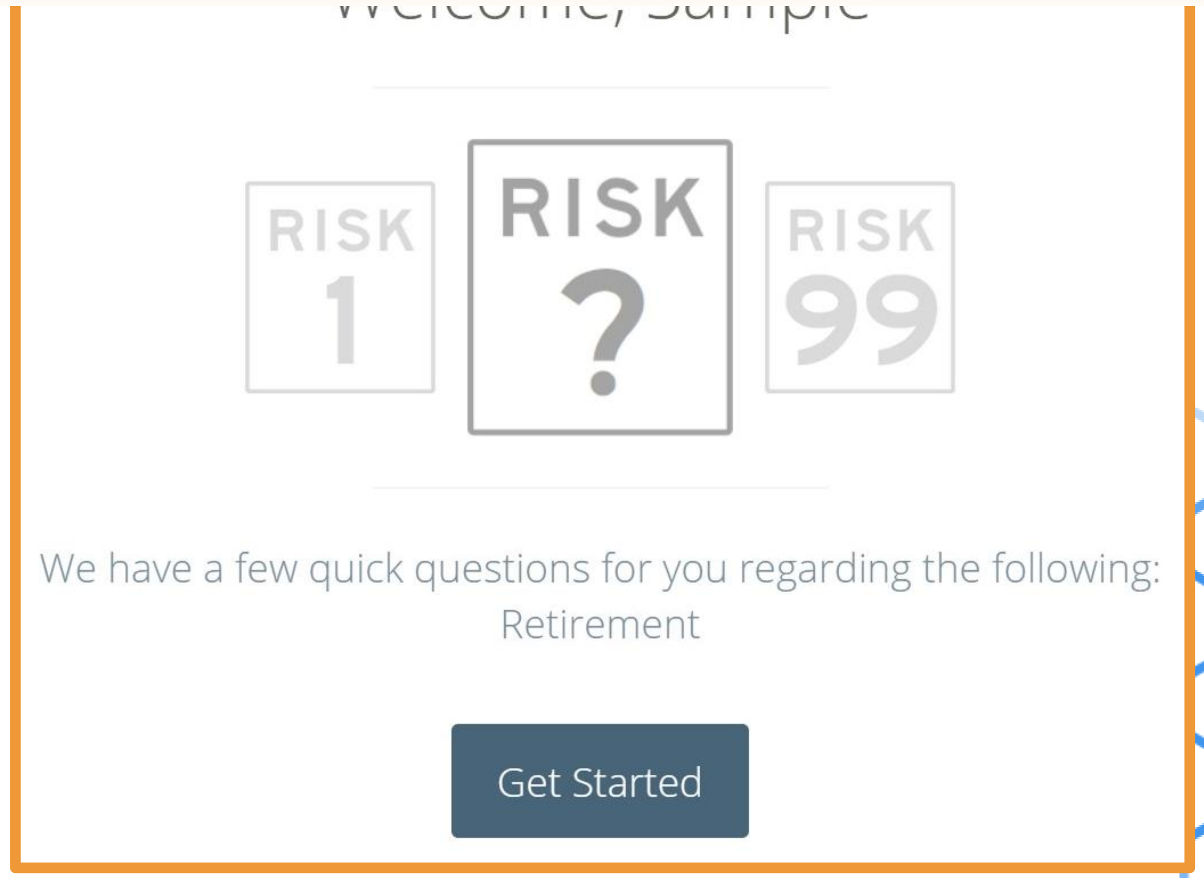
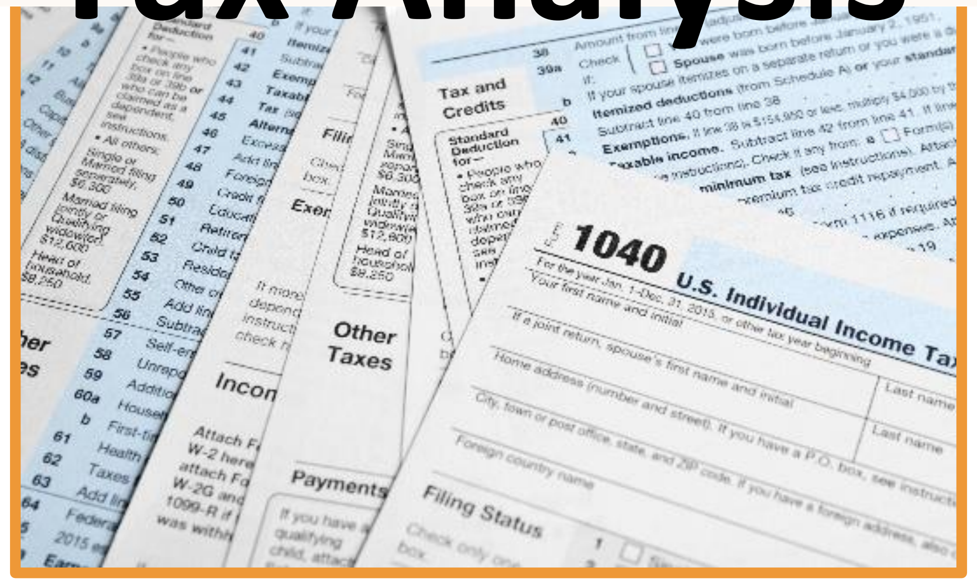
Pension Analysis



Risk Analysis



Tax Analysis



Questions & Answers

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