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Social Security Planning

What you need to know to maximize retirement income

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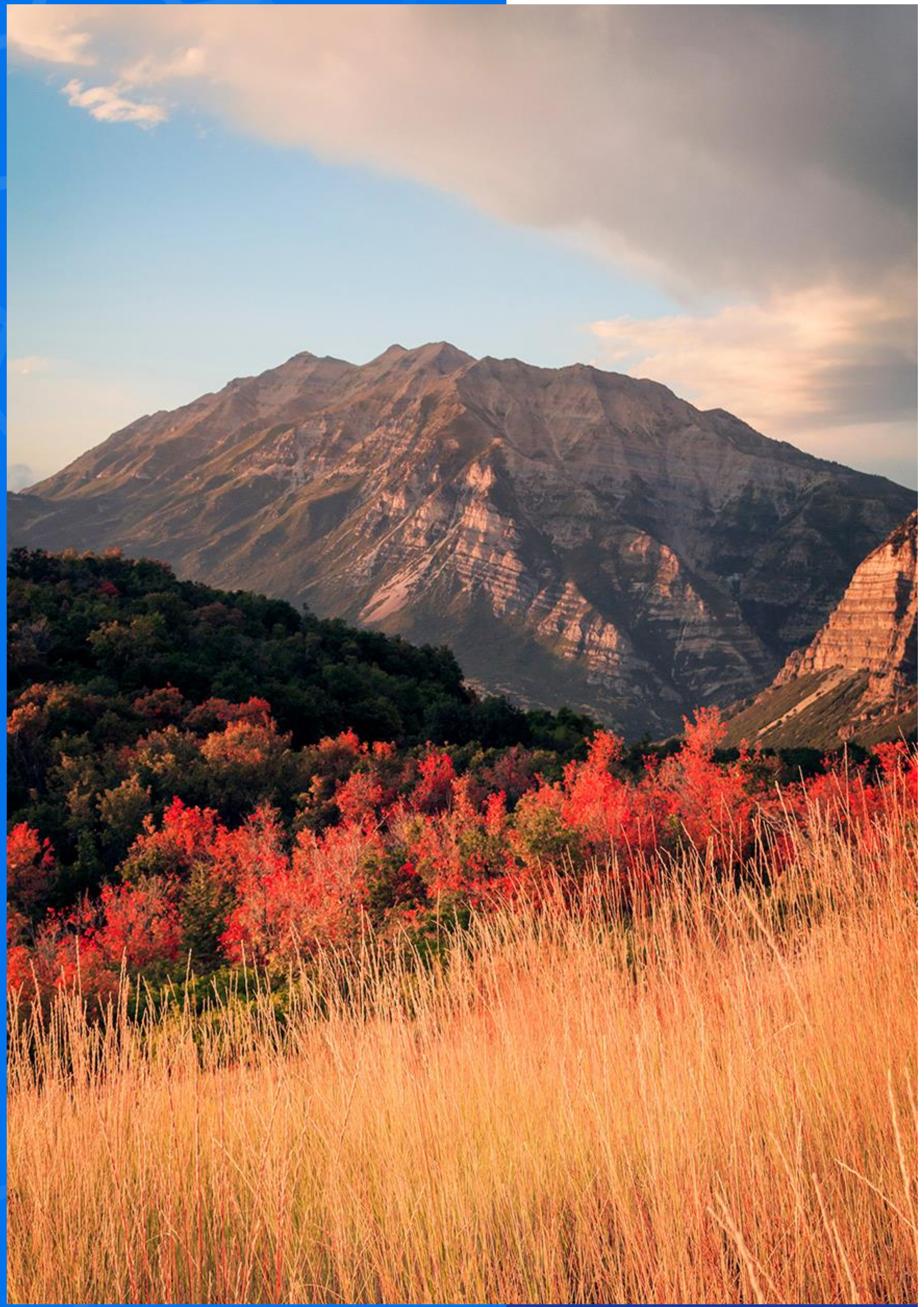
EMOTIONS OF RETIREMENT

WHAT WE WILL COVER:

- 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 maximize my benefits through sequencing my retirement income?

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	2025	2.8
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.

HOW MUCH OF MY SOCIAL SECURITY INCOME WILL BE TAXED?

Joint Filing Status							
		SOCIAL SECURITY INCOME					
		$10,000	$20,000	$30,000	$40,000	$50,000	$60,000
OTHER INCOME	$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%	85%	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. Certain types of income may be excluded or only included in one of the depicted scales. These scales are designed for illustration and educational purposes only. You should consult your tax advisor to review your personal tax situation. Figures as of 2026.

HOW MUCH OF MY SOCIAL SECURITY INCOME WILL BE TAXED?

Single Filing Status

		SOCIAL SECURITY INCOME					
		$10,000	$20,000	$30,000	$40,000	$50,000	$60,000
OTHER INCOME	$10,000	0%	0%	0%	6%	11%	16%
	$20,000	0%	13%	18%	24%	28%	30%
	$30,000	54%	48%	46%	45%	45%	44%
	$40,000	85%	85%	75%	67%	62%	59%
	$50,000	85%	85%	85%	85%	79%	73%
	$60,000	85%	85%	85%	85%	85%	85%
	$70,000	85%	85%	85%	85%	85%	85%
	$80,000	85%	85%	85%	85%	85%	85%

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WILL SOCIAL SECURITY BE THERE FOR ME?

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SOCIAL SECURITY FUND STATUS

$2.721

TRILLION

Trust fund balance on 12/31/24

$1.449

TRILLION

Total 2025 income

$1.609

TRILLION

Total 2025 expenditures

-$160

BILLION

2025 Net decrease in assets

$2.561

TRILLION

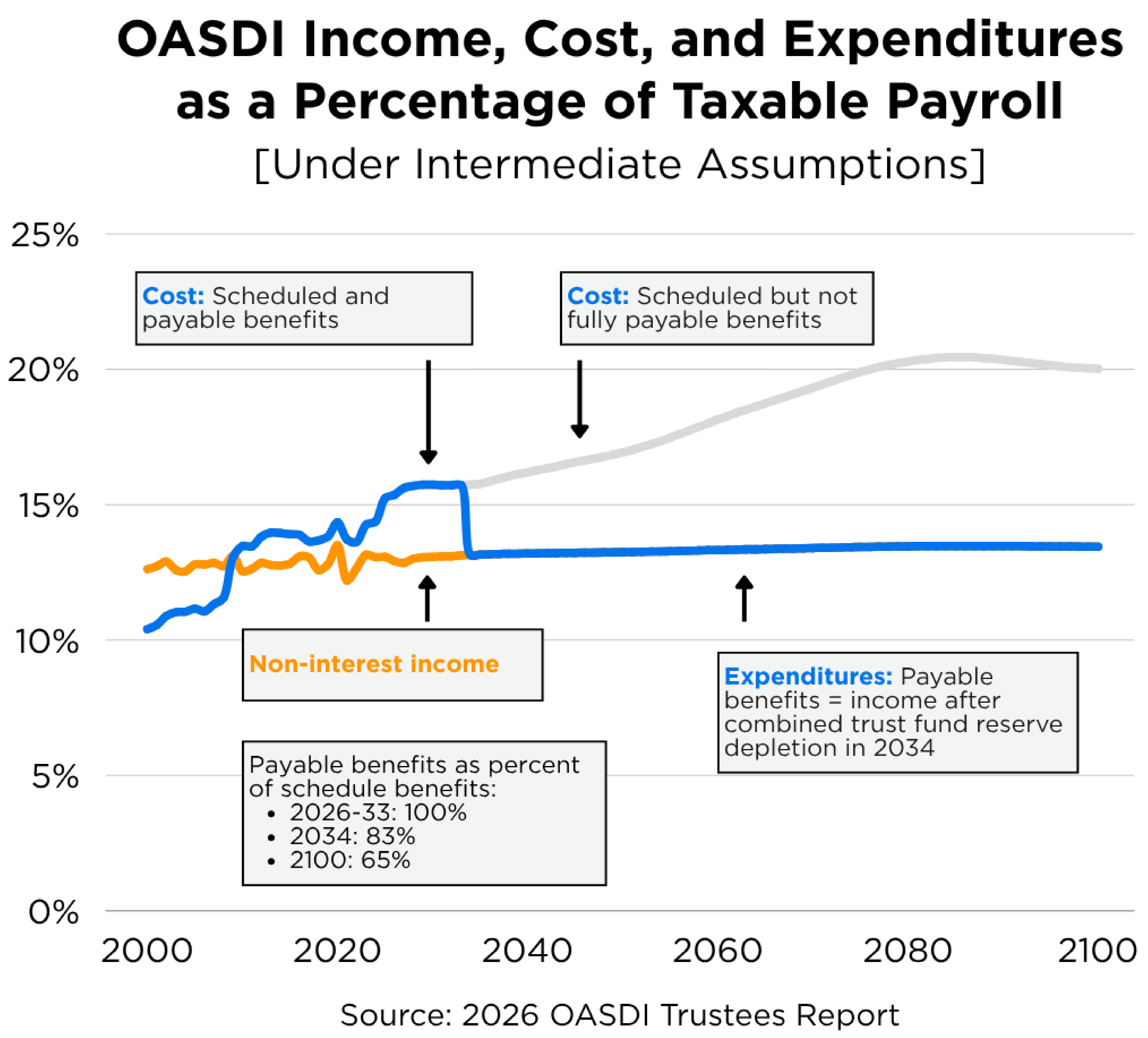
Trust fund balance on 12/31/25

Data reflects Old Age, Survivors, and Disability Flows and Balances - Source: https://www.ssa.gov/oact/trsum/

TRUST FUND PROJECTIONS

Long-term projections: without reform, benefits fall to:

78% in 2032 - Old Age and Survivor Benefits budget



All information is believed to be reliable but accuracy cannot be guaranteed. Content is for educational purposes only and may be updated without notice. Data reflects Old Age, Survivors, and Disability Flows and Balances - Source: https://www.ssa.gov/oact/trsum/

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?

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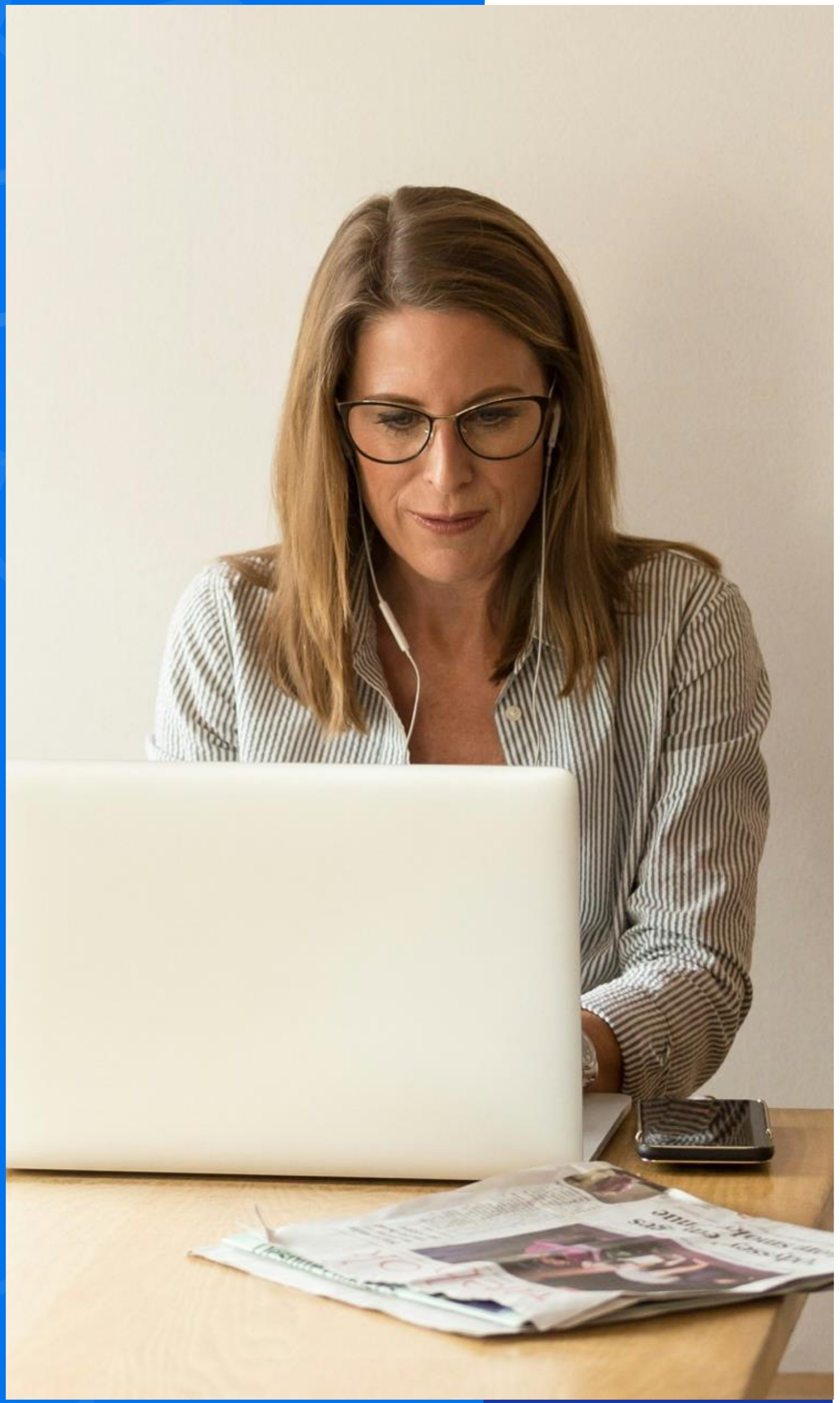
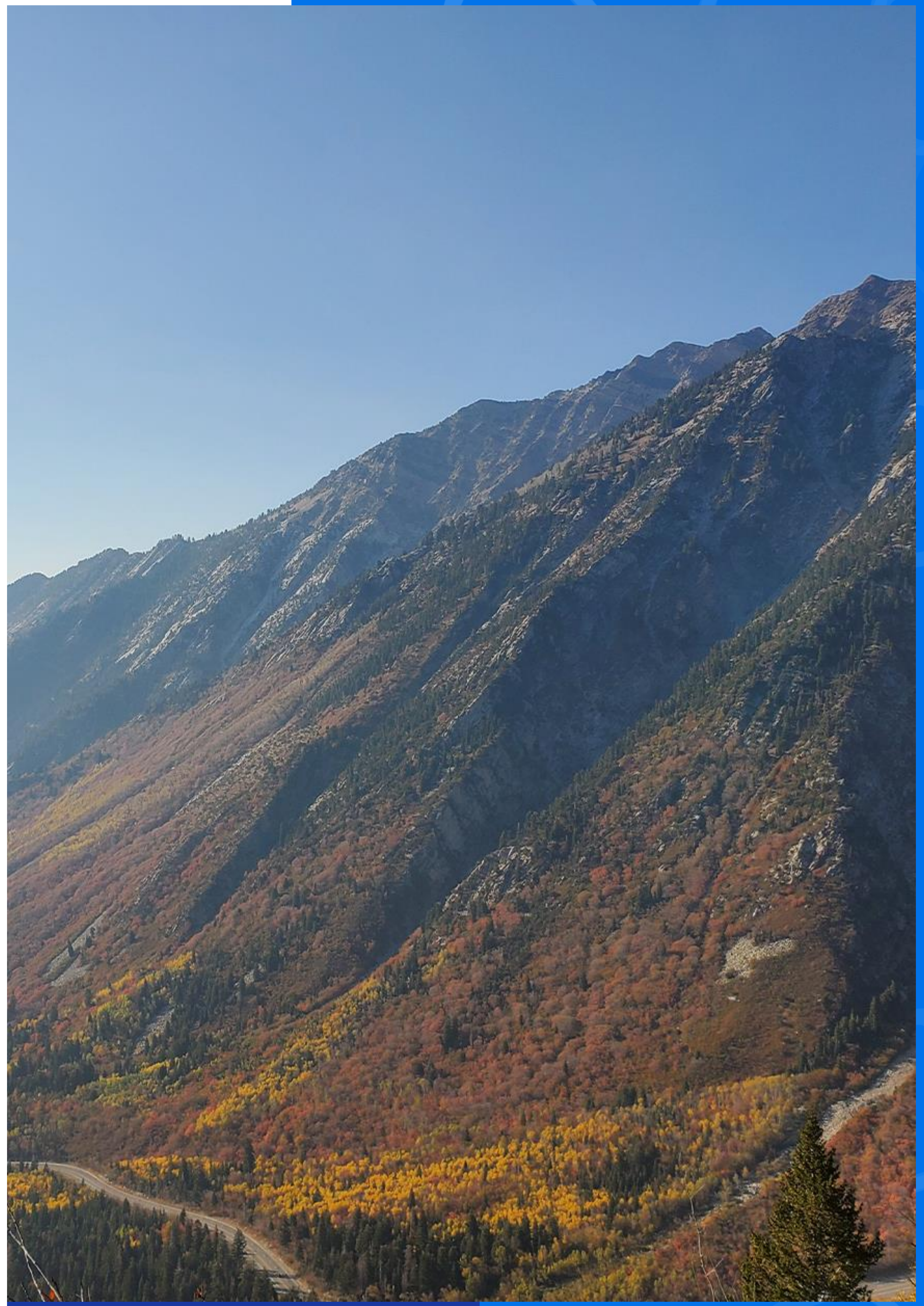


HOW ARE MY BENEFITS CALCULATED

- 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%

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%

SPOUSAL BENEFITS

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SPOUSAL BENEFITS

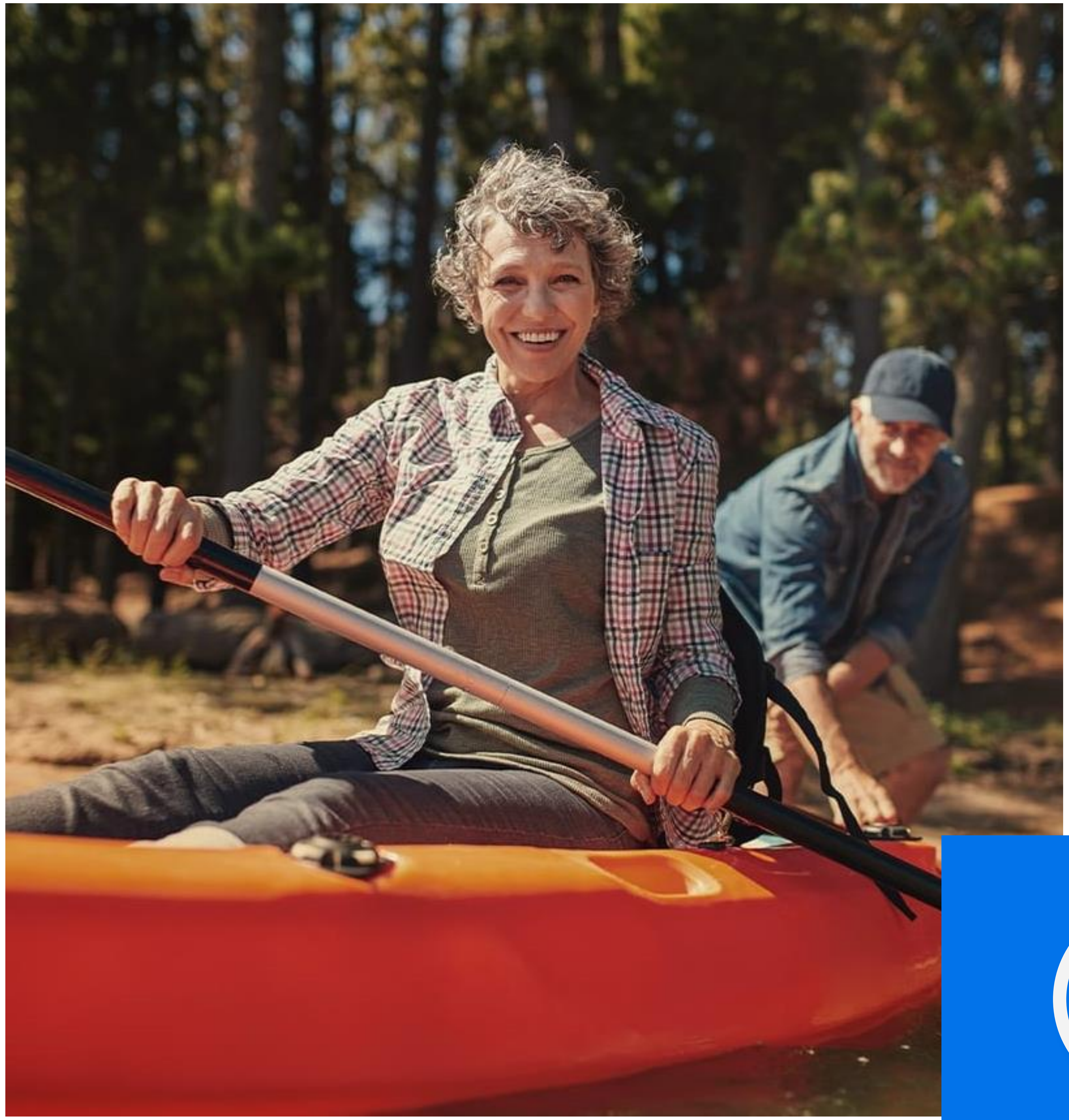
Spousal benefit = 1/2 the primary worker's PIA if started at full retirement age

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



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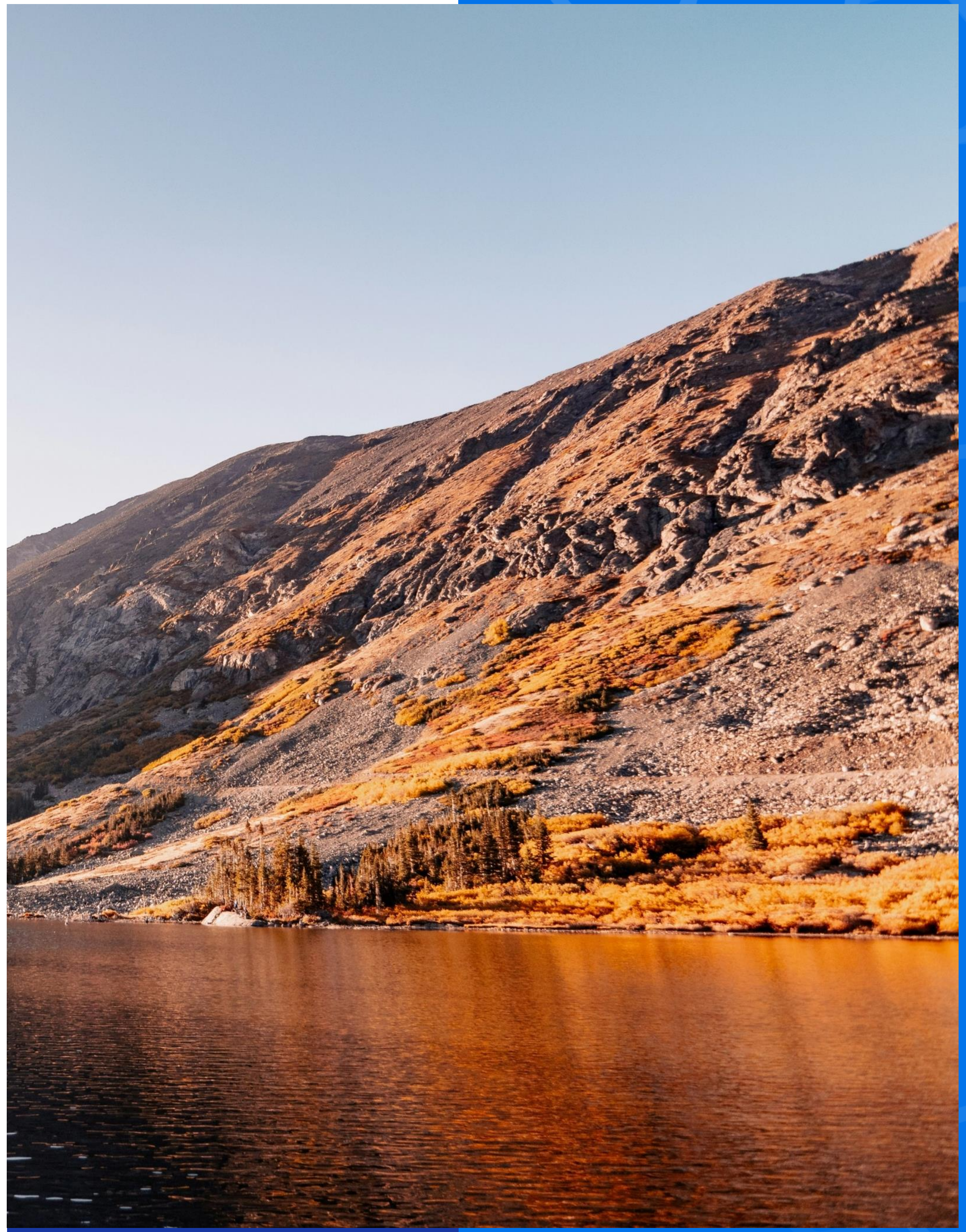
RULES OF SPOUSAL BENEFITS

- 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



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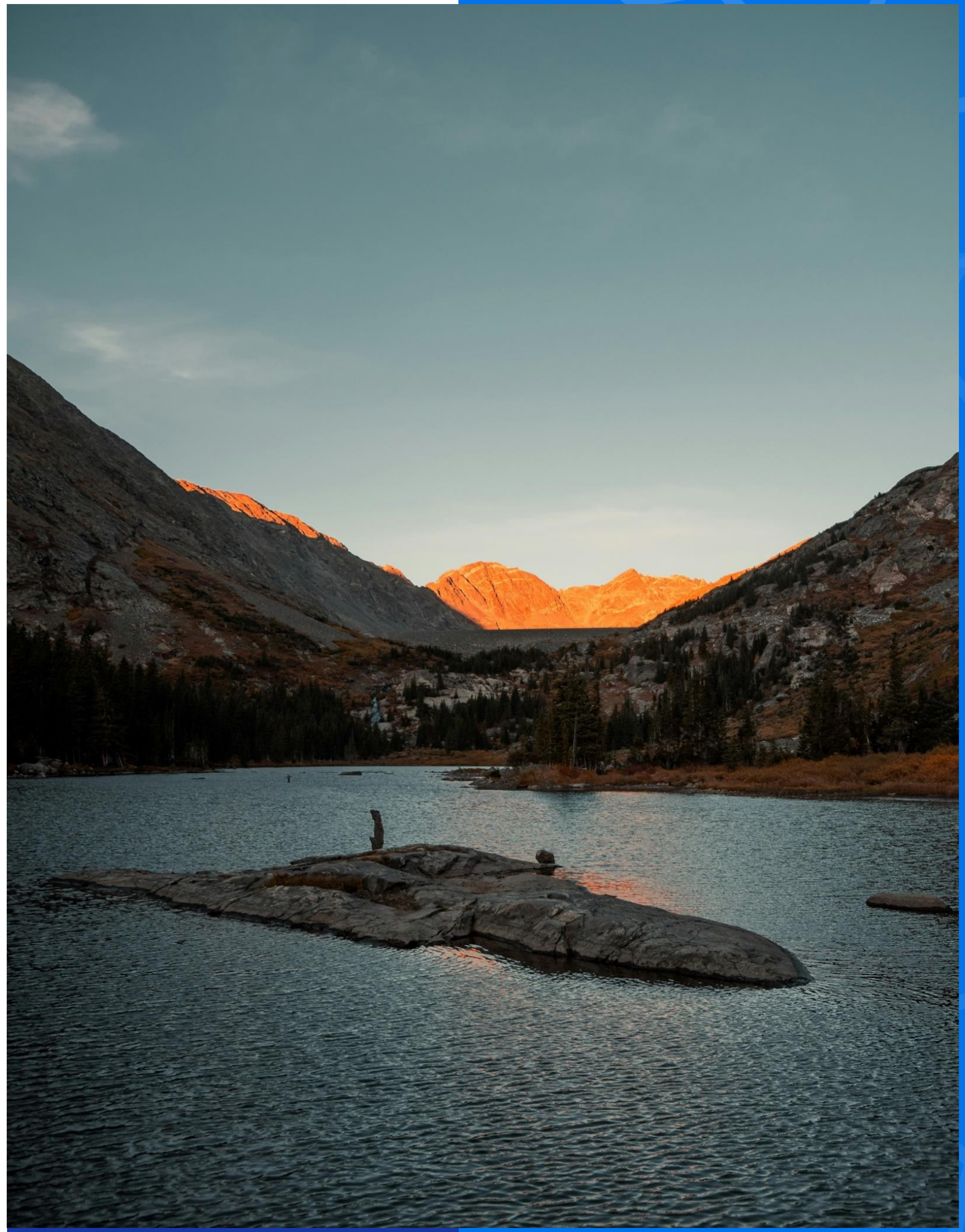
DIVORCED-SPOUSE BENEFITS

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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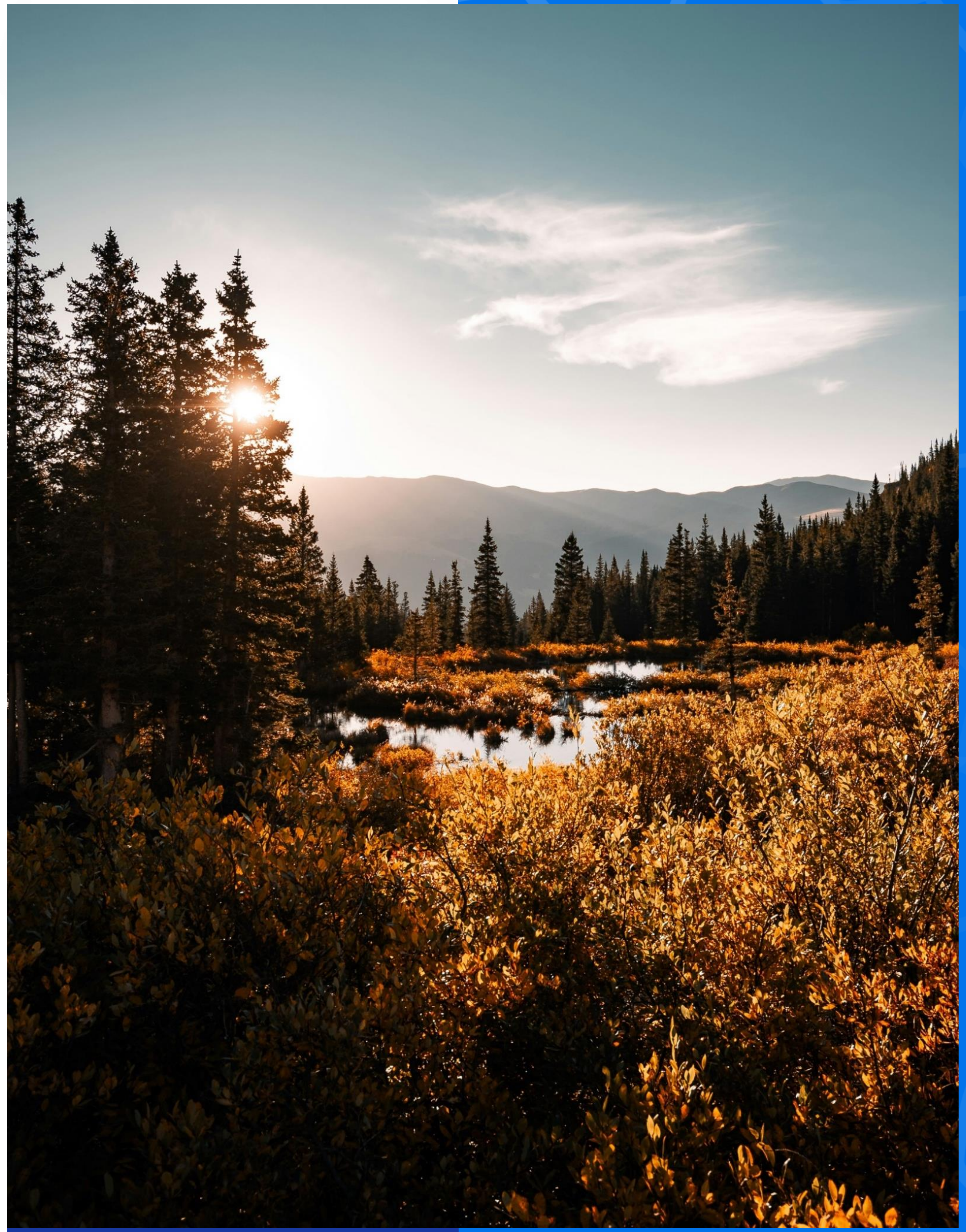
RULES OF SURVIVOR BENEFITS

- 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



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RETIREMENT TAX STRATEGIES

How to Optimize Taxes for Your Investments


Colourbox


“
The difference
between death and taxes
is that death doesn’t get worse every time
Congress meets.
- WILL ROGERS
”

QUESTION:

What was the highest tax rate in US history for income earners of 200k and up?

A. 1970 – 70%
B. 1944 - 94%
C. 1951 – 90%
D. 1964 – 77%

ANSWER:

What was the highest tax rate in US history for income earners of 200k and up?

A. 1970 – 70%
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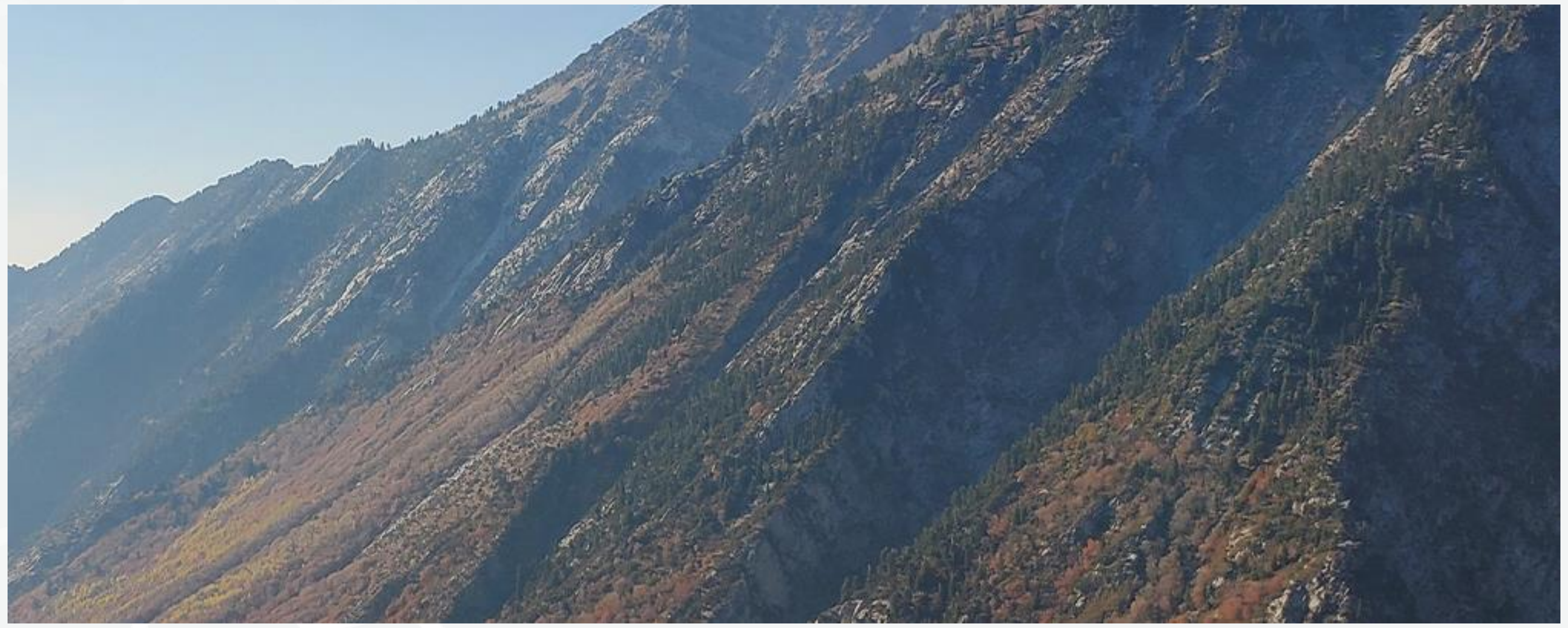
D. 1964 – 77%



AGENDA

Retirement Account Strategies

- To Roth or not to Roth
- Roth Conversion

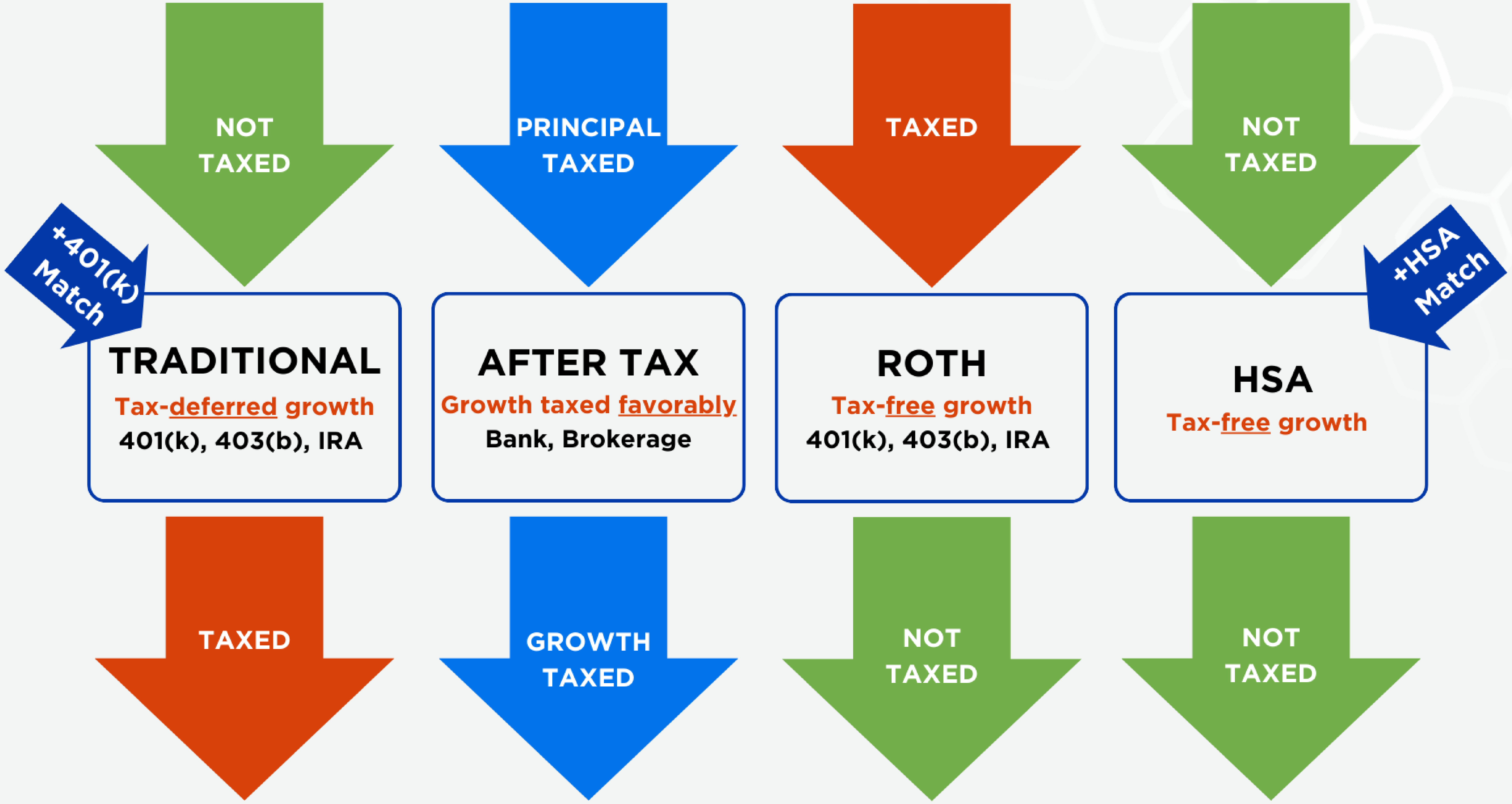
Non-Retirement Account Strategies

- Utilizing Capital Gains
- Tax Loss Harvesting

Charitable Giving Strategies

- Donations in kind
- Double-up/Bunching charitable gifts
- Qualified Charitable Distribution (QCD)
- Donor Advised Fund (DAF)

TAX CATEGORIES



The Bucket Approach:
Build and grow different account types to control your tax situation in retirement

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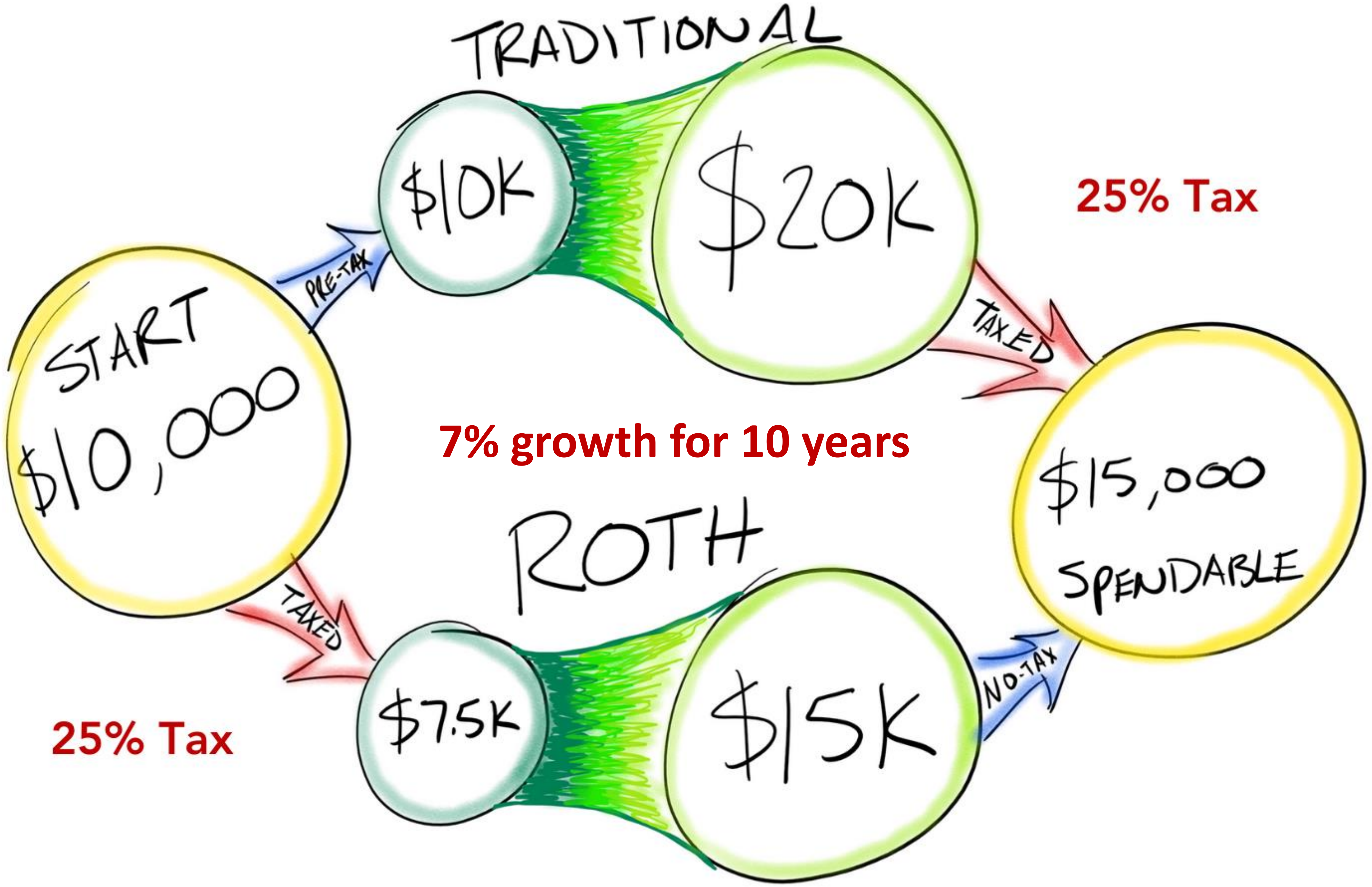
RETIREMENT ACCOUNT STRATEGIES

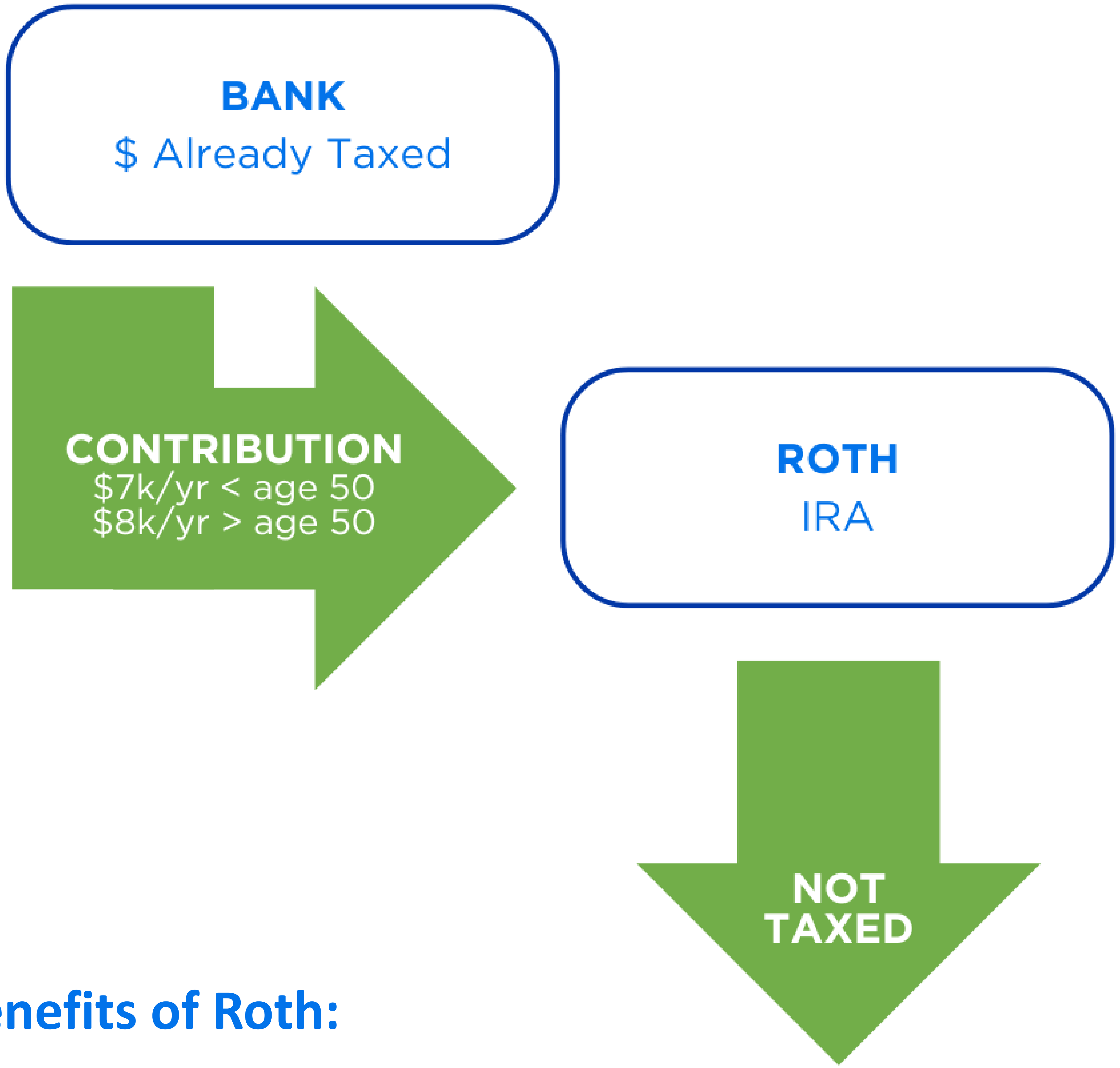
TO ROTH OR NOT TO ROTH?

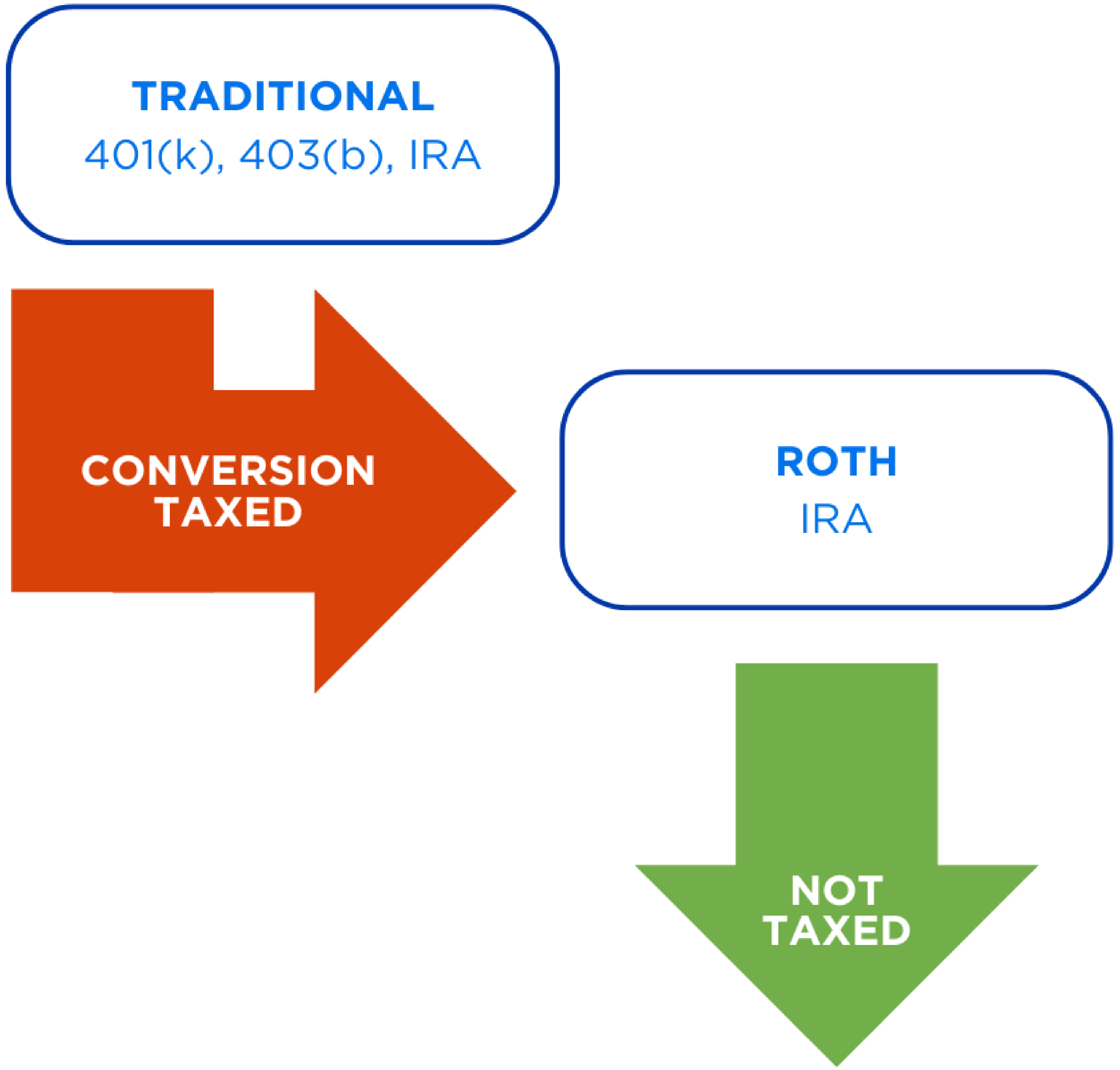


Key Takeaways:

1. If the tax rate & growth are the same, it always equals the same spendable amount
2. If your tax rate will drop in retirement – NO Roth
3. If your tax rate will rise in retirement – YES Roth

ROTH CONTRIBUTION and/or ROTH CONVERSIONS





Benefits of Roth:

1. **Tax-free growth**
2. **NO Required Minimum Distributions (RMDs)**
3. **PRO TIP: Roth passes to heirs tax-free**

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HOW MUCH MONEY DO YOU MAKE TODAY?

2026 Federal Income Tax Brackets

Rate	For Unmarried Individuals	For Married Individuals Filing Joint Returns
10%	$0-$12,400	$0-$24,800
12%	$12,401-$50,400	$24,801-$100,800
22%	$50,401-$105,700	$100,801-$211,400
24%	$105,701-$201,775	$211,401-$403,550
32%	$201,776-$256,225	$403,551-$512,450
35%	$256,226-$640,600	$512,451-$768,700
37%	$640,601+	$768,701+

Make this contribution type:

Roth

Depends

Traditional

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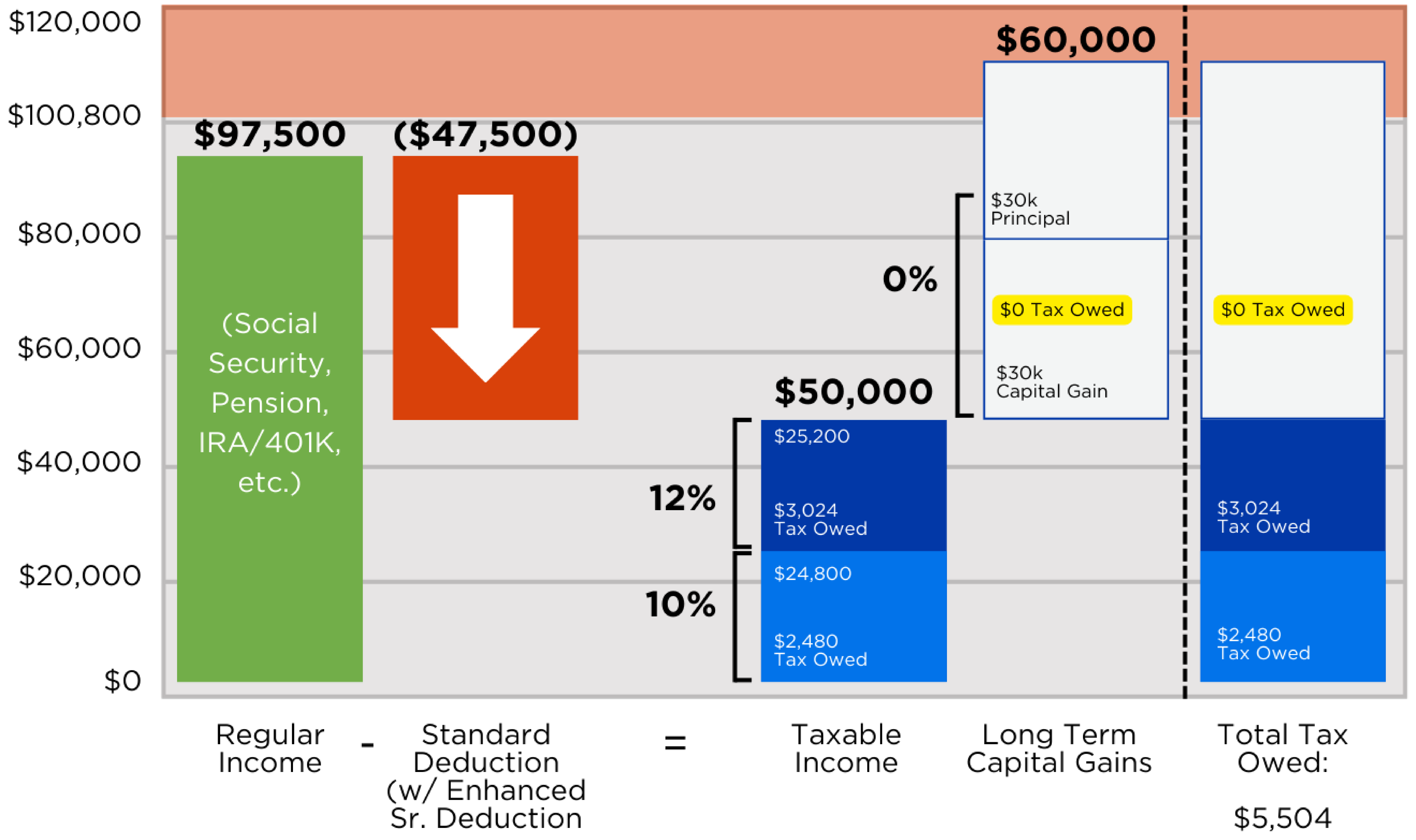
NON-RETIREMENT ACCOUNT STRATEGIES

UTILIZING CAPITAL GAINS



Key Takeaways:

- Some of your capital gains may be taxed at 0% depending on your regular income
- With proper planning, you could have none of your capital gains taxed (marginal tax bracket management)
- In this example, this retiree had **$157,500** of total income but only paid a **4.3%** effective federal rate!

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TAX LOSS HARVESTING

Making Lemonade out of Lemons

Key Takeaways:

- **PRO TIP:** You captured a loss without missing any market opportunity

TAX

- **Stays on tax return indefinitely or until used**
- **Use to offset gains on other stocks, real estate, sale of business, etc.**
- **Use to reduce income (up to 3k/year)**

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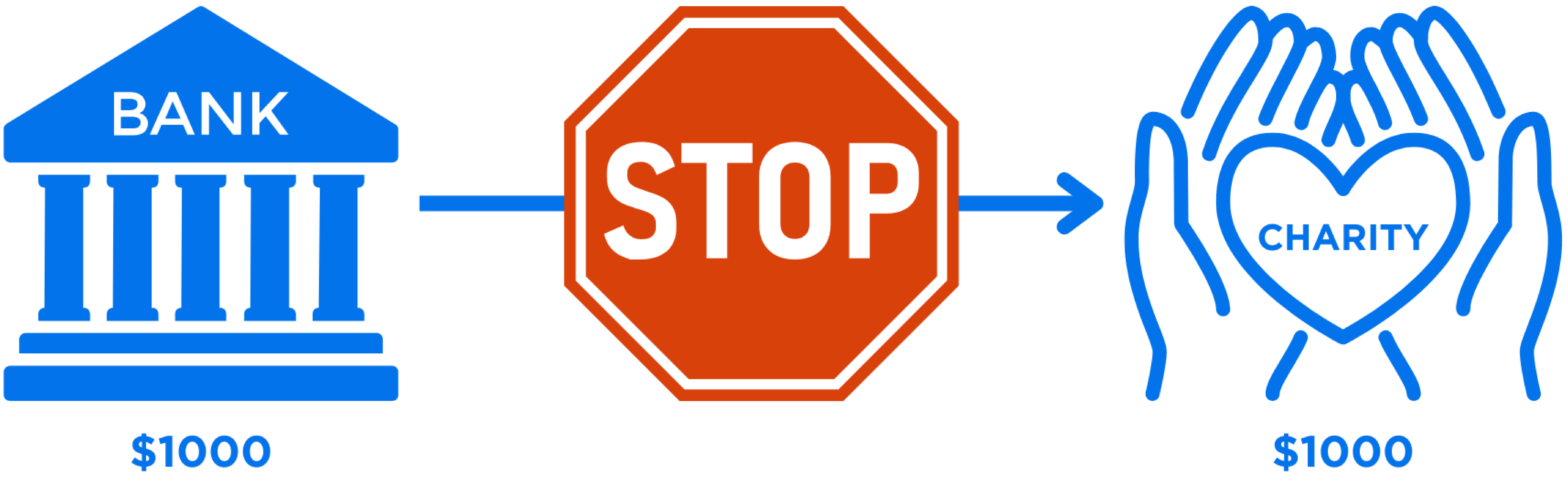
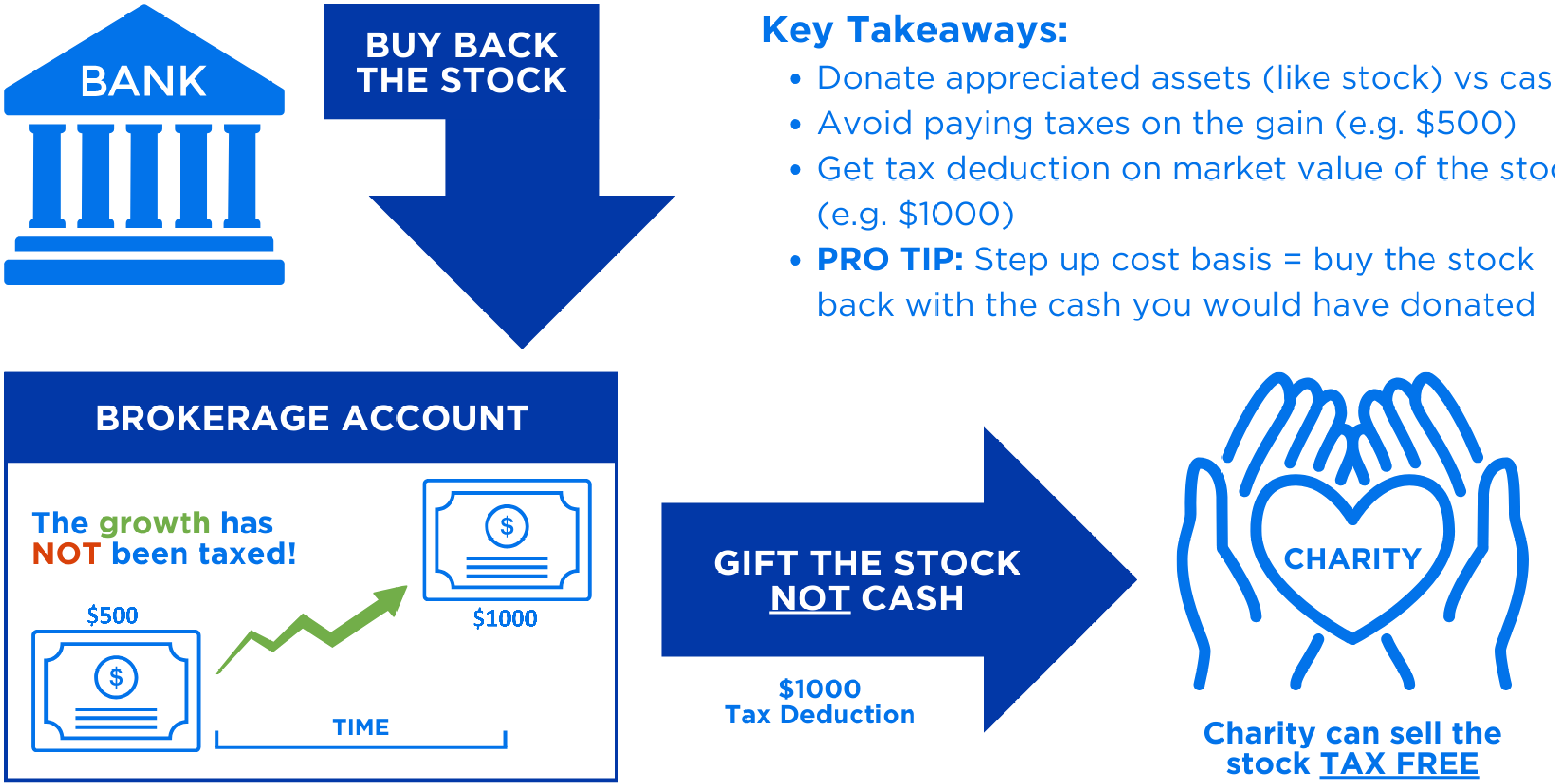
CHARITABLE GIVING STRATEGIES

DONATION IN KIND



DONATION IN KIND



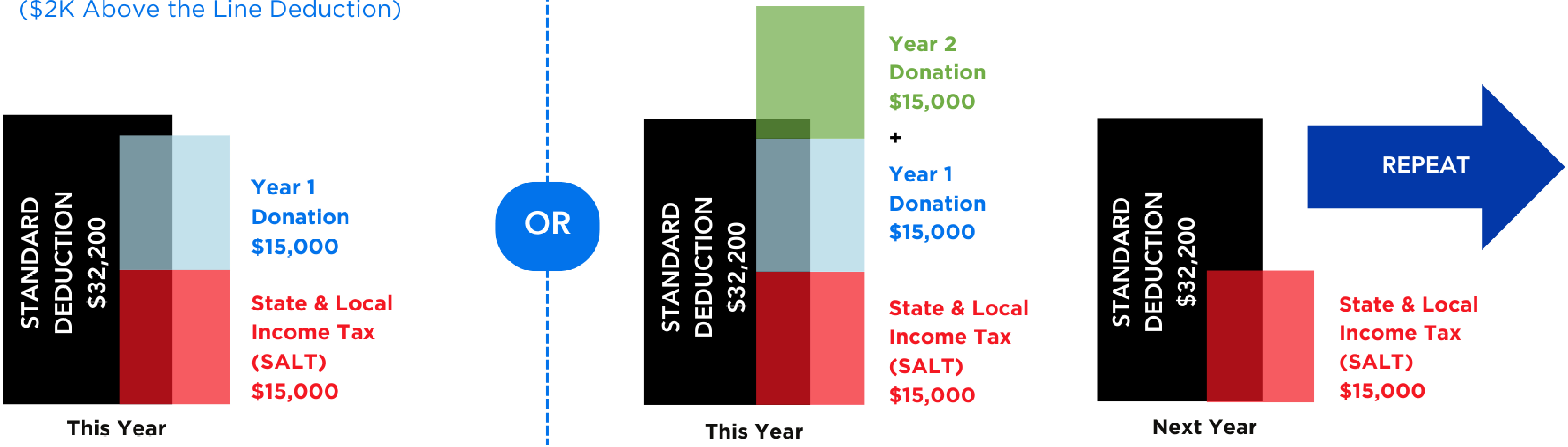
Key Takeaways:

- Donate appreciated assets (like stock) vs cash
- Avoid paying taxes on the gain (e.g. $500)
- Get tax deduction on market value of the stock (e.g. $1000)
- **PRO TIP:** Step up cost basis = buy the stock back with the cash you would have donated

BUNCHING CHARITABLE GIFTS

Minimal Tax Benefit for Charitable Gift!
($2K Above the Line Deduction)

$2,816 Fed Tax Savings Every Other Year! (22% MTB)



Key Takeaways:

- Get some benefit from deductions that would have fallen below the standard deduction
- **PRO TIP:** Use appreciated assets (e.g. stocks) to bunch, if possible

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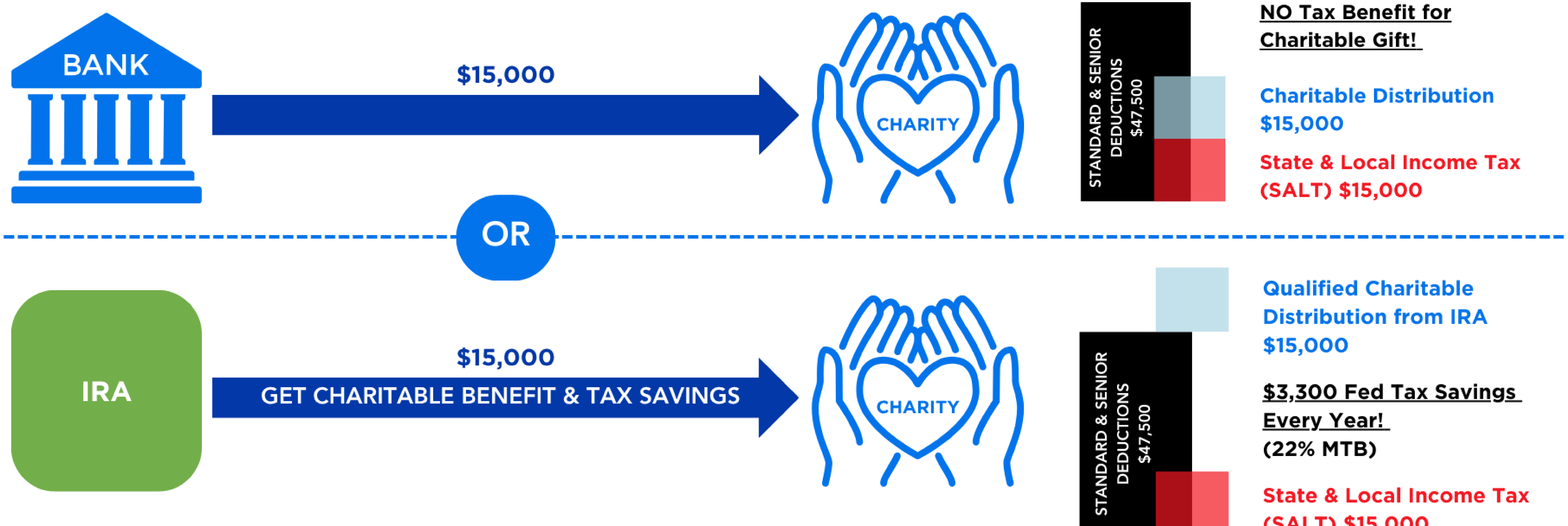
QUALIFIED CHARITABLE DISTRIBUTION



Key Takeaways:

- Must be age 70.5
- Must donate directly from your IRA to a charity
- QCD does NOT show up as income on 1040
- **PRO TIP:** QCD counts towards the Required Minimum Distribution (age 73+)

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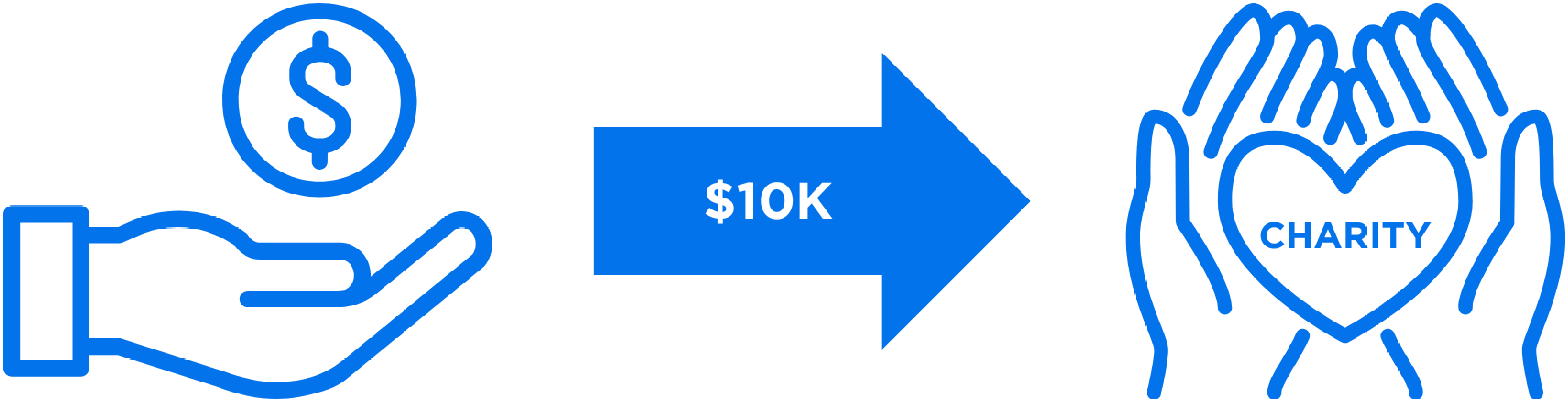
USING A DONOR ADVISED FUND (DAF)



Deduction and gift occur in same year

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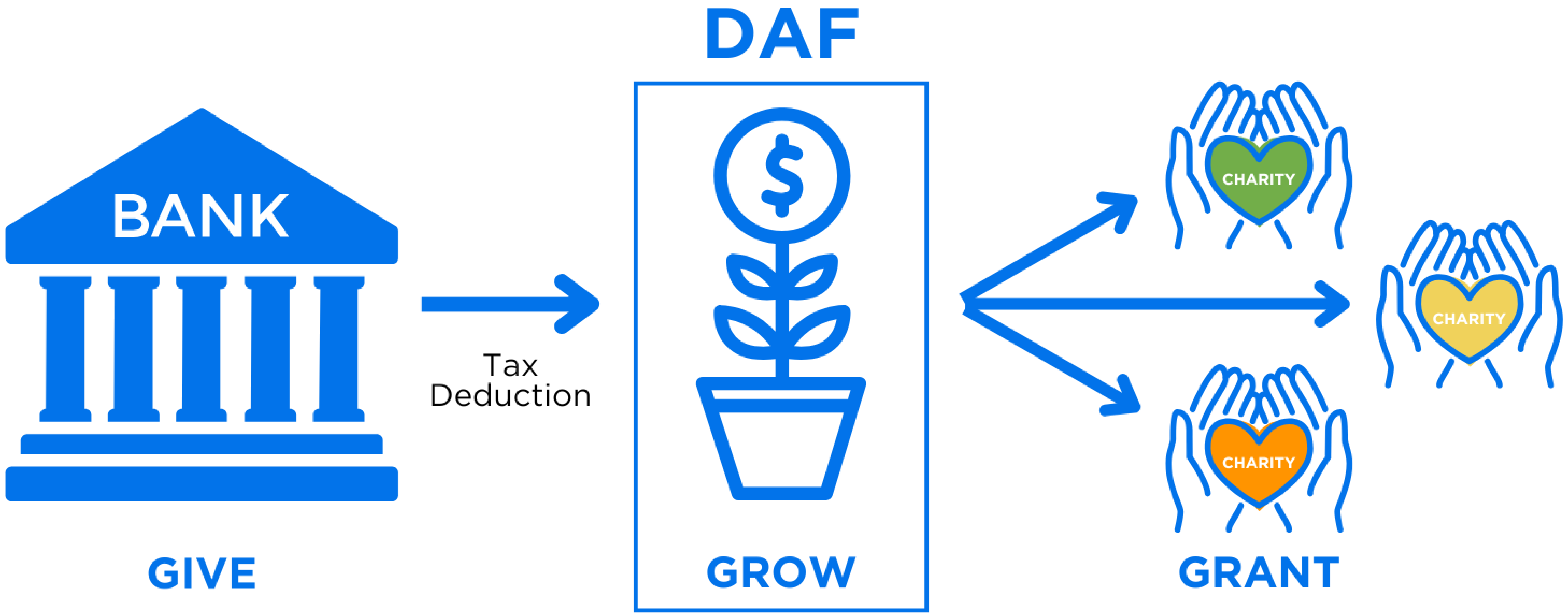

Donor Advised Funds can help with:

- Tax Timing – separate the timing of gifts and tax deductions
- High Income Years – front load multiple gifts into one year to help offset a high tax liability year
- Complex Assets: donate appreciated securities to a DAF that some charities may not be able to receive directly
- Simplified Tax Filing – one annual charitable contribution receipt to report vs. gathering receipts
- Family Philanthropy – establish successor trustees who can continue your charitable legacy

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