



# Joint Social Security Analysis

Prepared for: **Pat and Sandy Smith**

Prepared by: **Pat Smith**

Date: **10/08/2015**



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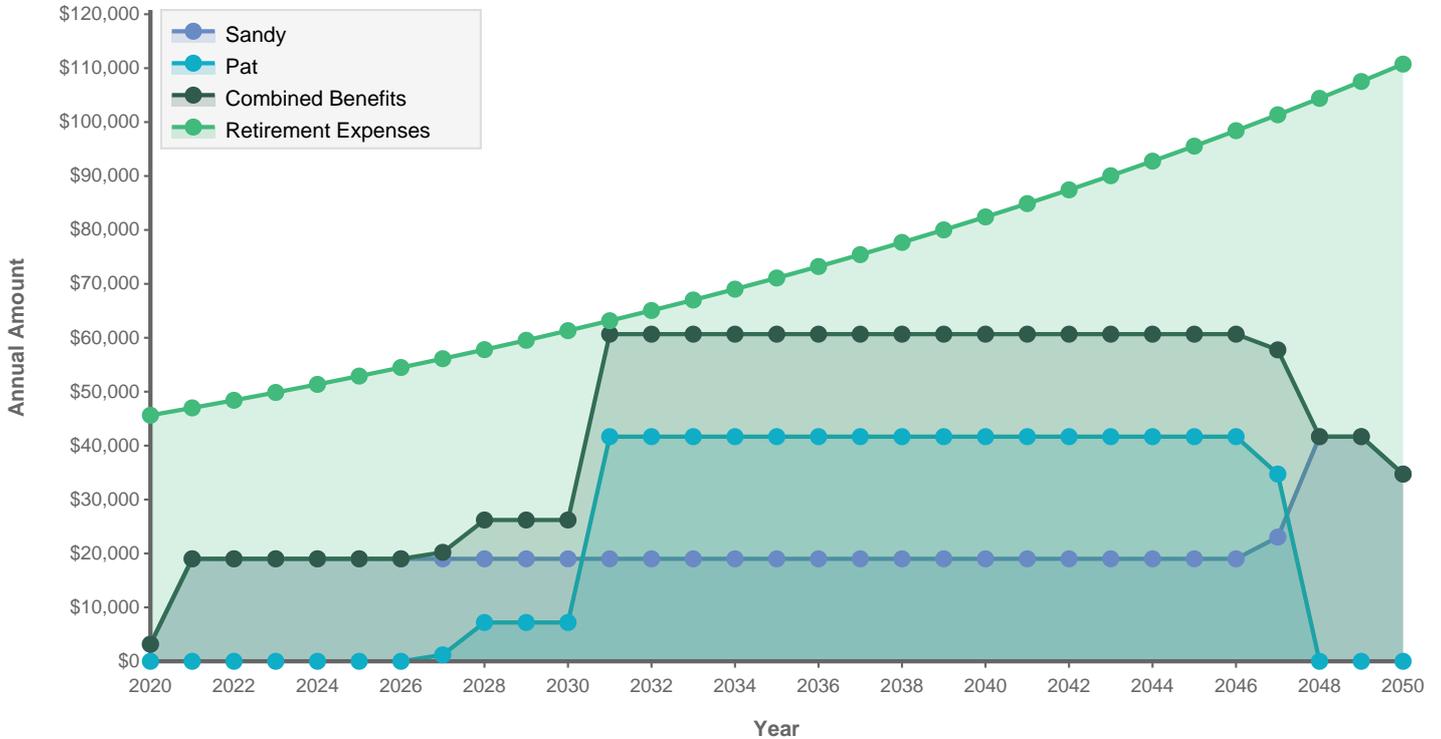
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## Social Security Analysis

### Joint Social Security Benefits (Regular)



### Joint Social Security Maximization Summary

This report represents the scenario that would lead to highest Social Security benefits over both of your expected lifetimes. This scenario is taken from a number of possible scenarios. The combined maximum Social Security benefits are attained by applying the restricted option strategy. Here's the recommended strategy:

For Sandy, the highest value of lifetime Social Security benefits is achieved if personal retirement benefits start on 11/01/2020 at the age of **70**. For Pat, the highest value of lifetime Social Security benefits is achieved if spousal retirement benefits start at the age of **67**. The maximization strategy requires Pat to use Restricted Option (restricting benefits to spousal benefits). This strategy would lead to an increase in combined lifetime benefits of **\$143,152**. The chart above uses these start dates to create a combined distribution that maximizes the value of Social Security benefits. For more information see the analysis on the following page.

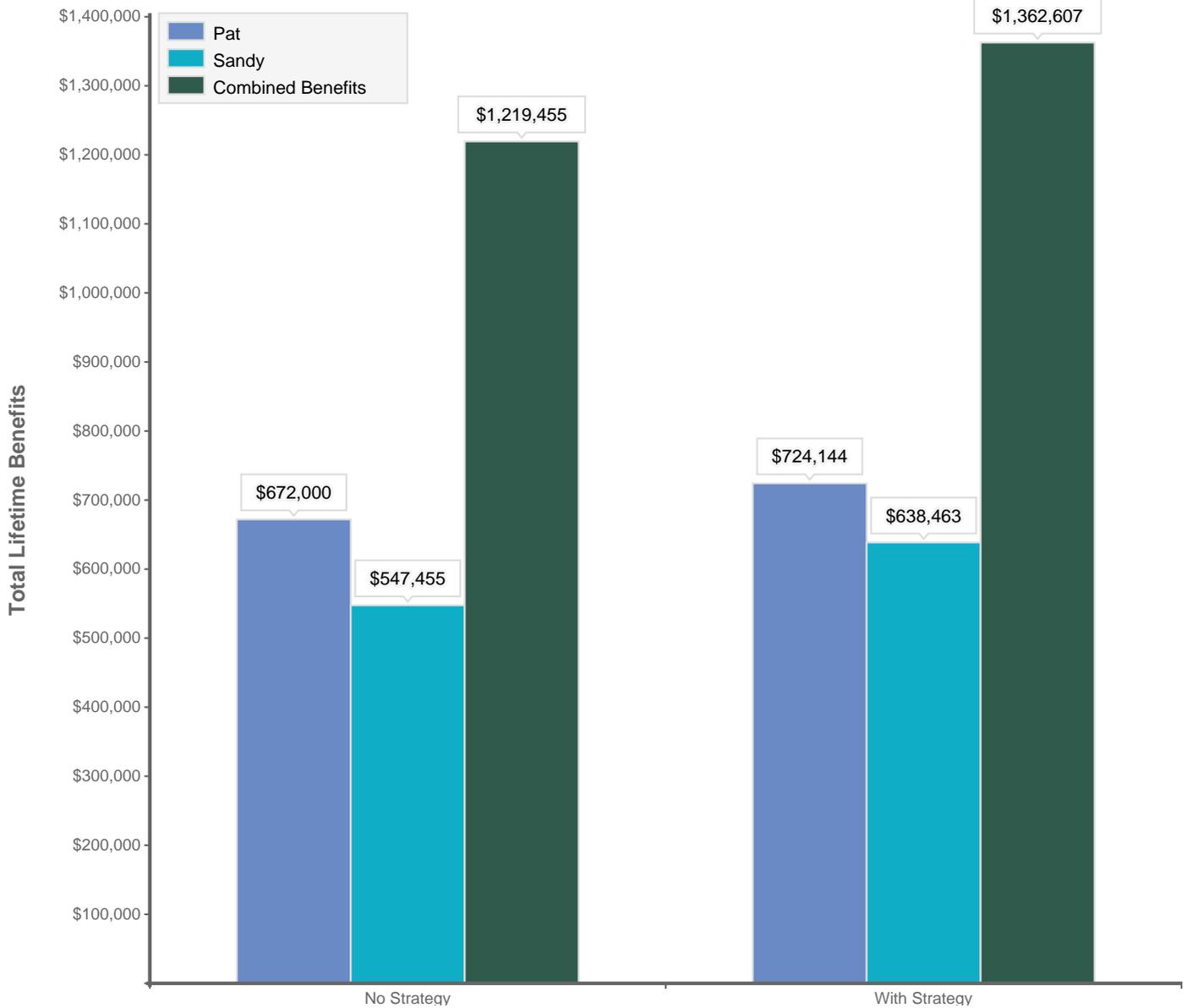
### Action Plan:

- Sandy starts personal Social Security benefits on 11/01/2020 at the age of 70.
- Pat starts taking spousal benefits on 11/01/2027 at the age of 67.
- Starting the year of 2047, Sandy will be able to collect the survivor benefits.
- Sandy receives Pat's survivor benefits upon Pat's passing in 2047.

You should file for benefits about 3 months before you expect to receive your first payment.



### Comparison of Lifetime Benefits



### Comparison Summary

The chart above shows you the benefits of applying the recommended strategy for Social Security benefits. The difference in estimated benefits over your combined lifetime comes to \$143,152. The recommended strategy was arrived by running numerous combinations of strategies, benefits start dates for both of you, and applying the benefits of spousal benefits wherever applicable. Here 'No Strategy' assumes that you both start taking Social Security benefits at your respective full retirement age (based on date of birth) and take them based on your individual work record.



Combined Annual Social Security Benefits By Start Age

Year	Age for Sandy	Age for Pat	Benefits (Sandy)	Own Benefits (Pat)	Spousal Benefits (Pat)	Selected Benefits (Pat)	Total Benefits	Retirement Expenses
2020	70	60	\$3,168				\$3,168	\$45,629
2021	71	61	\$19,008				\$19,008	\$46,998
2022	72	62	\$19,008				\$19,008	\$48,408
2023	73	63	\$19,008				\$19,008	\$49,860
2024	74	64	\$19,008				\$19,008	\$51,356
2025	75	65	\$19,008				\$19,008	\$52,897
2026	76	66	\$19,008				\$19,008	\$54,483
2027	77	67	\$19,008		\$1,200	\$1,200	\$20,208	\$56,118
2028	78	68	\$19,008		\$7,200	\$7,200	\$26,208	\$57,801
2029	79	69	\$19,008		\$7,200	\$7,200	\$26,208	\$59,536
2030	80	70	\$19,008	\$6,944	\$7,200	\$7,200	\$26,208	\$61,322
2031	81	71	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$63,161
2032	82	72	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$65,056
2033	83	73	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$67,008
2034	84	74	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$69,018
2035	85	75	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$71,089
2036	86	76	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$73,221
2037	87	77	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$75,418
2038	88	78	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$77,680
2039	89	79	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$80,011
2040	90	80	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$82,411
2041	91	81	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$84,883
2042	92	82	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$87,430
2043	93	83	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$90,053
2044	94	84	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$92,754
2045	95	85	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$95,537
2046	96	86	\$19,008	\$41,664	\$7,200	\$41,664	\$60,672	\$98,403
2047	97	87	\$23,039	\$34,720	\$6,000	\$34,720	\$57,759	\$101,355
2048	98	88	\$41,664				\$41,664	\$104,396



Combined Annual Social Security Benefits By Start Age

Year	Age for Sandy	Age for Pat	Benefits (Sandy)	Own Benefits (Pat)	Spousal Benefits (Pat)	Selected Benefits (Pat)	Total Benefits	Retirement Expenses
2049	99	89	\$41,664				\$41,664	\$107,528
2050	100	90	\$34,720				\$34,720	\$110,754

<b>Total Benefits</b>			<b>\$638,463</b>	<b>\$708,288</b>	\$144,000	<b>\$724,144</b>	<b>\$1,362,607</b>	
<b>Present Value of Benefits</b>			<b>\$337,956</b>	<b>\$343,549</b>	\$73,307	<b>\$353,908</b>	<b>\$691,864</b>	



### Social Security Benefits Scenarios For Sandy

#### Annual Social Security Benefits By Start Age

Year	Age	66	67	68	69	70
2016	66	\$2,400				
2017	67	\$14,400	\$2,592			
2018	68	\$14,400	\$15,552	\$2,784		
2019	69	\$14,400	\$15,552	\$16,704	\$2,976	
2020	70	\$14,400	\$15,552	\$16,704	\$17,856	\$3,168
2021	71	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2022	72	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2023	73	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2024	74	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2025	75	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2026	76	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2027	77	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2028	78	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2029	79	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2030	80	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2031	81	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2032	82	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2033	83	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2034	84	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2035	85	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2036	86	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2037	87	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2038	88	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2039	89	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2040	90	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2041	91	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2042	92	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2043	93	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2044	94	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2045	95	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2046	96	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2047	97	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2048	98	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2049	99	\$14,400	\$15,552	\$16,704	\$17,856	\$19,008
2050	100	\$12,000	\$12,960	\$13,920	\$14,880	\$15,840
<b>Total Benefits</b>		\$489,600	\$513,216	\$534,528	\$553,536	<b>\$570,240</b>
<b>PV of Benefits</b>		\$288,265	\$297,022	\$304,109	\$309,602	<b>\$313,578</b>



Own Social Security Benefits Scenarios For Pat

Annual Social Security Benefits By Start Age

Year	Age	62	63	64	65	66	67	68	68 and 8 months	69	70
2022	62	\$3,920									
2023	63	\$23,520	\$4,200								
2024	64	\$23,520	\$25,200	\$4,480							
2025	65	\$23,520	\$25,200	\$26,880	\$4,853						
2026	66	\$23,520	\$25,200	\$26,880	\$29,120	\$5,226					
2027	67	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$5,600				
2028	68	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$6,048			
2029	69	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$19,040	\$6,496	
2030	70	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$6,944
2031	71	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2032	72	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2033	73	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2034	74	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2035	75	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2036	76	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2037	77	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2038	78	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2039	79	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2040	80	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2041	81	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2042	82	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2043	83	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2044	84	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2045	85	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2046	86	\$23,520	\$25,200	\$26,880	\$29,120	\$31,360	\$33,600	\$36,288	\$38,080	\$38,976	\$41,664
2047	87	\$19,600	\$21,000	\$22,400	\$24,266	\$26,133	\$28,000	\$30,240	\$31,733	\$32,480	\$34,720

<b>Total Benefits</b>	\$588,000	\$604,800	\$618,240	\$640,640	\$658,560	\$672,000	\$689,472	\$698,133	\$701,568	\$708,288
<b>PV of Benefits</b>	\$324,925	\$328,723	\$330,537	\$336,940	\$340,753	\$342,098	\$345,355	\$345,993	\$345,795	\$343,549



### Spousal Social Security Benefits Scenarios For Pat

#### Annual Social Security Benefits By Start Age

Year	Age	62	63	64	65	66	67	68	69	70
2022	62	\$780								
2023	63	\$4,680	\$840							
2024	64	\$4,680	\$5,040	\$900						
2025	65	\$4,680	\$5,040	\$5,400	\$1,000					
2026	66	\$4,680	\$5,040	\$5,400	\$6,000	\$1,100				
2027	67	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$1,200			
2028	68	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$1,200		
2029	69	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$1,200	
2030	70	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$1,200
2031	71	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2032	72	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2033	73	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2034	74	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2035	75	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2036	76	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2037	77	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2038	78	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2039	79	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2040	80	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2041	81	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2042	82	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2043	83	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2044	84	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2045	85	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2046	86	\$4,680	\$5,040	\$5,400	\$6,000	\$6,600	\$7,200	\$7,200	\$7,200	\$7,200
2047	87	\$3,900	\$4,200	\$4,500	\$5,000	\$5,500	\$6,000	\$6,000	\$6,000	\$6,000

**Total Benefits**      \$117,000   \$120,960   \$124,200   \$132,000   \$138,600   \$144,000   \$136,800   \$129,600   \$122,400



## Information Used for Social Security Analysis

### Information For Pat:

Date of birth 10/07/1960  
Life expectancy 87 years  
Life expectancy method Specific value

### Social Security Information

Estimated monthly Soc. Sec. benefit in today's \$\$ \$2,800  
COLA (Cost of living adj.) 0.00%  
Disabled currently? No

### Government Pension Information

Eligible for pension from a government agency? No

### Other Information

# of months for lump-sum benefits 0 month(s)  
Earned income during retirement:  
Amount, Duration, and Annual Change \$0 per month; 01/01/2014 - 05/11/2014; 0.00%  
Discount rate (10-year treasury) 3%

### Expenses during retirement

Housing expenses \$5,000 per year  
Healthcare expenses \$2,000 per month  
Life expenses(food, clothes, util...) \$10,000 per year  
Travel & entertainment expenses \$10 per month  
Other monthly expenses \$20 per month  
Average annual inflation rate 3%

### Information For Sandy:

Date of birth(s) 10/07/1950  
Life expectancy(s) 100 years  
Life expectancy method(s) Specific value  
Est. monthly Soc. Sec. benefit in today's \$\$ \$1,200  
Currently disabled? No

### Government Pension Information - Spouse

Eligible for pension from a government agency No

### Other Information (S)

Number of months for lump-sum benefits 0 month(s)  
Amount/Duration/Annual Change \$0 per month; 10/08/2015 - 10/08/2015; 0.00%



## Assumptions and Disclosures for Social Security Analysis

This report provides an estimate of Social Security benefits projections by calendar year using following assumptions:

### Life expectancy:

The duration of Social Security payout is based on the life expectancy. People likely to live longer should consider delaying Social Security payments past full retirement age while those with shorter life expectancy may consider taking payments sooner.

### Total Benefits vs Present Value of Benefits:

Total benefits represent the numerical sum of all the Social Security payments until the expected end of life for a particular scenario. The present value, on the other hand, is the discounted value of these payments as of today. The discount rate used to calculate the present value is what was entered. It is possible that the scenario with highest total benefits may not be same as the scenario with highest present value of benefits.

### Adjustments to Social Security Benefits:

The Social Security payments stream in a particular scenario is based on the start date for payments and full retirement age. Payments starting before the full retirement age are less than those at full retirement age, while those starting after full retirement age are higher. This adjustment is reflected in the results. If you are working while taking Social Security payments before your full retirement age, then your benefit will be further reduced. But it could mean higher benefits later since benefits are recalculated at full retirement age. However, this report takes into account only the reduction in benefits. It does not recalculate/adjust the benefits at full retirement age. The reduction is also based on the income limit before the full retirement age and during the full retirement age. These income limits are announced each year.

### Social Security Benefits and Cost of Living Adjustment (COLA):

The calculations for monthly Social Security amount at full retirement age are based on a person's income history. If you are still working this amount may change substantially over time. The Cost of Living Adjustment (COLA) is the annual increase in Social Security payments. This increase is based on inflation and is announced each year by The Social Security Administration. Social Security projections in this report are calculated using a constant value of COLA that was entered. In reality, COLA is not constant and may change from year to year. As a result, actual Social Security payments could be substantially different from those presented here.

### Social Security Benefits For Couples:

For couples, joint annual Social Security benefit schedules are available for two scenarios: one, when one spouse files for Social Security at his/her full retirement age and immediately suspends taking benefits until a future date; two when neither spouse uses file and suspend. In the first case, the older spouse files and suspends, allowing the younger spouse to delay his/her own benefits until a future date (to a higher value) and take reduced spousal benefits sooner. In case of file and suspend, if client files and suspends, then the annual Social Security benefits schedules for client are produced for each month after full retirement age until age 70. But the schedule that produces maximum present value for lifetime benefits is the one that gets selected for the combined schedule. In this case, the annual benefit schedules for the spouse are generated from age 62 through age 70 in monthly increments. If the spouse applies for benefits before attaining Full Retirement Age (FRA), she is "deemed" to be applying for both her own benefits, and if eligible, spousal benefits. Her own retirement benefits and spousal benefits are calculated separately and added together. If she has not attained FRA (and her husband has filed), her spousal benefits are reduced by 25/36% for each of the first 36 months and by 5/12% for each additional month that benefits are begun before she attains FRA. Consideration is also given to spouse's own benefits vs spouse's spousal benefits. Additionally, if one spouse files and suspends, the other spouse claiming spousal benefits may file a restricted claim for spousal benefits only after attaining the full retirement age.

### Spousal Benefits:

Spousal benefits can be claimed by only one spouse at a time even if both spouses are eligible for spousal benefits on each other's earning record. Spousal benefits are automatically adjusted depending upon the benefits start age for the spouse claiming spousal benefits and the full retirement age of the other spouse. In case of file and suspend, if the spouse claiming spousal benefits starts taking benefits prior to his own full retirement age, then he is deemed to have taken his own retirement benefit and he's paid the higher of own benefit and the spousal benefit. This will reduce his own retirement benefit and his retirement benefit will not grow as it is not considered as delayed. Adjustments for 'restricted' option (spouse claiming spousal benefits after reaching full retirement age) are also applied automatically. Additionally, survivor benefits for different scenarios are calculated using the full retirement age of the other spouse. Survivor benefits (if applicable) are calculated assuming the surviving spouse doesn't remarry and is at least 60 at the time of death of the deceased spouse.

### Government Pension:

Under the Windfall Elimination Provision (WEP), if you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any pension you get based on that work may reduce your Social Security benefits if Social Security taxes were paid for less than 30 years. Additionally, if you're eligible for government pension and spousal Social Security benefits based on your spouse's work record, your spousal benefits may be reduced. Under the Government Pension Offset (GPO) Law, your spousal benefits may be reduced by 2/3rd of the pension amount. This report takes into account any WEP related adjustments to Social Security benefits.



## Social Security Analysis Disclosures...

### Lump-sum Benefits:

If you file for delayed benefits (after FRA), you can accept a monthly benefit that includes all the delayed credits. Or you can accept a lump sum worth six months of retroactive benefits—but your monthly benefit will shrink to the amount you would have received if you had applied six months earlier. For benefit schedules with start age over full retirement age, a lump-sum payment for months entered will be added to the first monthly benefit and monthly benefits would be reduced by an equivalent delayed credit. For lump-sum payments of over 6 months a file and immediate suspend is required at full retirement age and restricted file and suspend doesn't work for spousal benefits. It is assumed that you would follow required processes as established by the Social Security Administration.

### Taxation of Benefits:

This report does not account for any taxes on Social Security benefits. If you have substantial income in addition to your Social Security benefits, your benefits will be taxed. If you file a federal tax return as an 'individual' and your income is more than \$25,000, you have to pay taxes. If you file a joint return, you may have to pay taxes if you and your spouse have a combined income that is more than \$32,000. If you are married and file a separate return, you will probably always pay taxes on your benefits.

**The schedule of Social Security payments under different scenarios follows the rules established by the Social Security Administration. Neither OMYEN Corp. nor the user of the Social Security Maximizer™ software is associated with or endorsed by the Social Security Administration, or any other government agency. This report is for financial guidance purposes only. It does not guarantee any future benefits. Actual benefits may vary significantly.**

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