

Do You Have a Social Security Plan?



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Happy 65th Birthday!

- 10,000 Baby Boomers reaching age 65 every day*
- One person turns 65 every 8 seconds.**
- 4 million Americans per year are turning 65**
- One in five Americans will be 65 by the year 2025**
- One in three people age 65 will reach the age of 90***



*Pew Research Center
**Caring Across America
***Social Security Administration

Social Security Benefits “Decision Time”

- What do I need to know about claiming my Social Security?
- Sooner vs Later
- My Own Benefit vs Spousal
- Where can I get answers?
- Am I missing something?



Reduced, Full, and Maximum Benefits

Your Decision
Has A Lifetime Impact



Early @ 62	Full @ 66	Max. @ 70
75%	100%	132%
\$1,500	\$2,000	\$2,640

Claiming Benefits Early

- **Question:** “When should I start my Social Security benefits?”
- **Answer:** “As soon as I can.”
- **Fact:** 2/3 of beneficiaries receive permanently reduced benefits.

U.S. News & World Report, June 2015	MEN	WOMEN
Age 62	42%	48%
Age 66	34%	27%
Age 70	2%	4%

When Should Someone Start Benefits?

Depends on a lot of factors:

- Marital Status
- Age
- Life Expectancy
- Total assets available
- The need for income
- Desired standard of living
- Planning to continue work
- Survivor needs



The best strategy considers all of these factors.

Meet Mike and Carol

- Mike - DOB 12/31/53
Carol - DOB 01/02/1954
- They want to start Social Security
January 2018 (both are 64 years old)
- Mike = \$1,744 per month
Carol = \$1,300 per month
- Estimated Life Expectancy
Mike lives to 85 and Carol lives to 90.
- If they live to those precise ages, they
will collect:

\$870,553 in total benefits



Mike and Carol Have Another Option (Restricted Application)



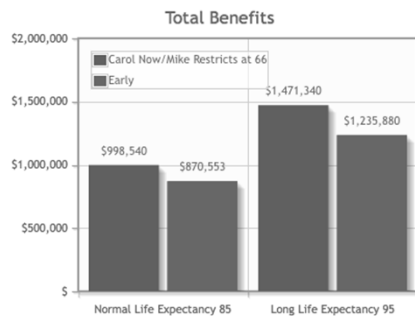
- Carol decides to file for her retirement right
now in the amount of \$1,300 per month.
- Mike waits until he is 66 (FRA) in order to
file a "Restricted Application" for only the
spousal benefit.
- In December 2019, at age 66, he begins
receiving \$750 per month as a husband on
Carol's record.
- In December 2023, Mike switches to his
maximum Social Security retirement in the
amount of \$2,640.
- If Mike lives to age 85 and Carol lives to
age 90, they will collect:

\$998,540 in total benefits.

The Comparison

Year	Client Age (at end of year)	Spouse Age (at end of year)	Early		Carol Now/Mike Restricts at 66		Difference
			Client	Spouse	Client	Spouse	
2016	63 yrs	62 yrs and 11 mnths	1,575	1,175		1,175	6,300
2017	64 yrs	63 yrs and 11 mnths	1,575	1,175		1,175	25,200
2018	65 yrs	64 yrs and 11 mnths	1,575	1,175		1,175	44,100
2019	66 yrs	65 yrs and 11 mnths	1,575	1,175	750	1,175	62,250
2020	67 yrs	66 yrs and 11 mnths	1,575	1,175	750	1,175	72,150
2021	68 yrs	67 yrs and 11 mnths	1,575	1,175	750	1,175	82,050
2022	69 yrs	68 yrs and 11 mnths	1,575	1,175	750	1,175	91,950
2023	70 yrs	69 yrs and 11 mnths	1,575	1,175	2,640	1,175	99,960
2037	84 yrs	83 yrs and 11 mnths	1,575	1,175	2,640	1,175	-78,960
2038	85 yrs	84 yrs and 11 mnths	1,575	1,650	2,640	2,640	-91,665
2039	86 yrs	85 yrs and 11 mnths		1,650		2,640	-103,545
2040	87 yrs	86 yrs and 11 mnths		1,650		2,640	-115,425
2041	88 yrs	87 yrs and 11 mnths		1,650		2,640	-127,305
2042	89 yrs	88 yrs and 11 mnths		1,650		2,640	-139,185
2043	90 yrs	89 yrs and 11 mnths		1,650		2,640	-151,065
2044	90 yrs and 2 mnths	90 yrs and 1 mnths					-151,065

“The Bigger Picture” Comparing Options



Carol Now/Mike Restricts at 66 Strategy becomes better than Early Strategy at ages 79 yrs and 78 yrs and 11 mnths.

- Difference in Total Lifetime Benefits is **\$127,987**
- Their Break Even Point occurs in February 2032
- The Survivor benefit for Carol increases by \$896 (\$1,744 vs. \$2,640).

Avoid Costly Traps



- The “Restricted Application” went away.
- Just apply at age 70
- “Social Security isn’t that complicated.”
- Go to Social Security for advice
- DIY - Softwares and Calculators

Benefit Boosters

5 Ways to Increase Social Security even after you started:

- Withdrawal or “Do Over”
- Voluntary Suspension
- Return to work/Keep working
- Add spousal benefits later (divorced spouse)
- Switch from one benefit to another at the right time



Summary

- When you claim benefits matters.
- The rules can be complicated.
- There are many combinations to claim benefits.
- Avoid “traps”. Know all your options.
- It is still possible to utilize the Restricted Application rules.
- It is possible to increase benefits even after you start them.
- Give your Social Security benefits the attention they deserve.
- Seek expert advice.

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