

MAX OUT YOUR BENEFITS

**4 WAYS TO CULTIVATE
YOUR
SOCIAL SECURITY**



THE RETIREMENT GROUP^{LLC}
PARTNERS IN RETIREMENT

TABLE OF CONTENTS

CHAPTER 01

— GET YOUR TIMING RIGHT | 5

CHAPTER 02

— TEAM UP WITH YOUR SPOUSE | 7



CHAPTER 03

— DIVORCED? KNOW THE RULES | 9

CHAPTER 04

— MAKE IT WORK TO KEEP WORKING | 11



INTRODUCTION



The concept of Social Security is simple: the government retains part of your paycheck, and then gives it back to you when you retire. Seems pretty straightforward, right? But did you know there are 2,728 core rules surrounding Social Security?¹ Or that Social Security is a major source of income for 67% of current retirees?² Or that the amount you receive varies depending on when you decide to start taking payments?

If those facts come as a surprise, you're not alone. More than 40% of Americans lack basic knowledge about how Social Security factors into their retirement.³ Luckily, with a little guidance, you can make sure you aren't leaving your money to wither on the vine. Let's take a look at four ways you can get the most out of Social Security.

CHAPTER 01



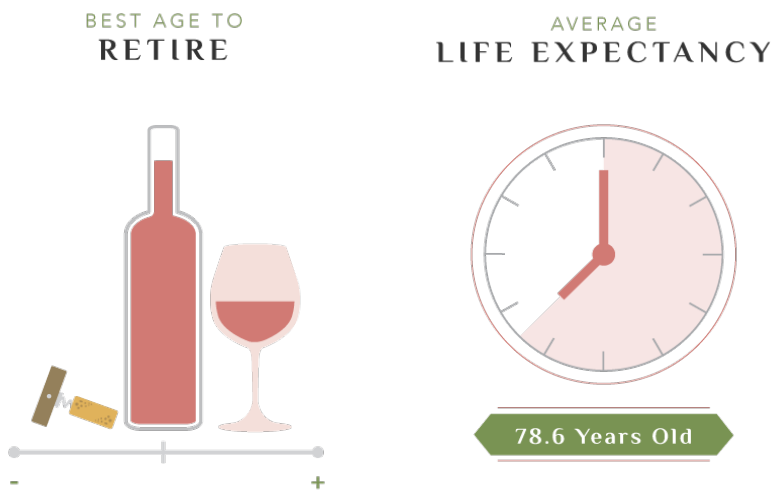
GET YOUR TIMING RIGHT

You might be wondering, “When exactly should I start taking Social Security benefits?” The answer depends on many factors. Some might say you should compare the benefits you would receive if claiming early, against the maximum benefit possible at age 70, and go from there. But it’s a bit more complicated than that. Factors like spousal benefits,

tax treatment of Social Security income versus retirement withdrawal strategies, and Social Security’s lifetime income guarantee can muddy the waters.⁴ The truth is, the timing can depend on your retirement strategy, your other forms of income, and sometimes just how long you’re willing to wait.

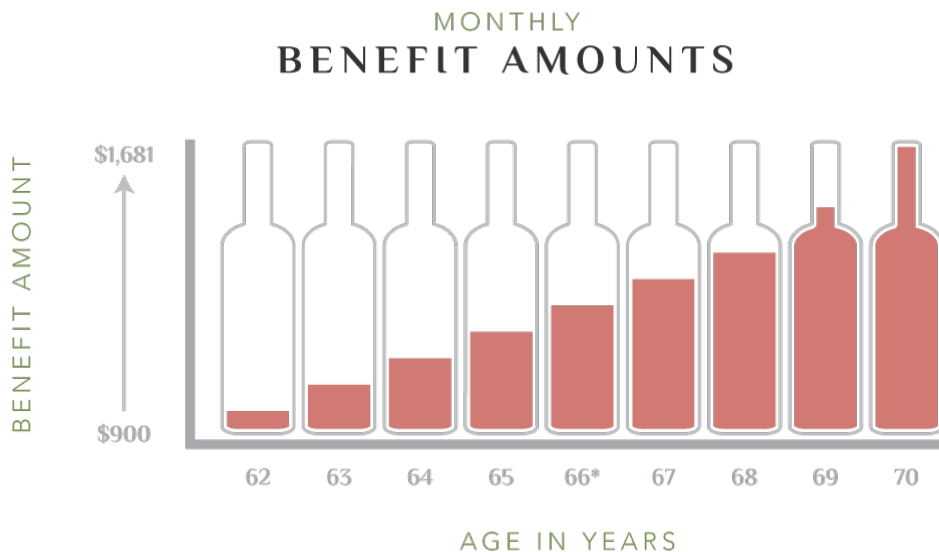
GET YOUR TIMING RIGHT

According to the Social Security Administration, if you live to the average life expectancy, you'll eventually receive your full lifetime benefits. In actual practice, it's not quite that straightforward. If you happen to live beyond the average life expectancy, and you delay taking benefits, you could end up receiving more money.



In general, the longer you wait, the more benefits will be paid—up to a point. If you wait until you're 70, your payment per check will increase. That's because you would earn "delayed retirement credits," which are equal to 8% per year (plus inflation) for every year you delay claiming benefits past full retirement age. This strategy might make sense for those in good health, with a higher life expectancy. After age 70, delayed retirement credits stop accruing, so there's no advantage to delaying further.

Ultimately, your timing strategy for Social Security depends on your preparation, physical health, and personal goals for retirement. We're here to help you determine your strategy and get your benefit timing right.



* This example assumes a benefit amount of \$1,300 at the full retirement age of 66 and 4 months.

CHAPTER 02

TEAM UP WITH YOUR SPOUSE



TEAM UP WITH YOUR SPOUSE

If Social Security wasn't complicated enough, marriage adds even more layers. In general, a husband or wife may receive up to 50 percent of their spouse's Social Security benefits. These benefits are available even if one spouse has never worked, as long as they meet a few key criteria. ⁵

- THEY MUST BE AGED 62 OR OLDER
- THEY MUST HAVE FILED FOR BENEFITS
- THEY MUST BE ELIGIBLE TO RECEIVE SOCIAL SECURITY

But for married couples, deciding when each partner should or shouldn't harvest their benefits is the key to claiming your Social Security benefits. Here's an example.

Susan and her spouse have been married for well over 10 years, and have just reached their full retirement age. Susan has been fortunate enough to earn the maximum taxable earnings for over 35 years, while her spouse has earned a more modest amount over the same time period. After speaking with her financial advisor, Susan is presented with a choice: Should she take her individual benefits, or spousal benefits?



Although it may seem counterintuitive, Susan elects to take her spousal benefits and receive smaller payments. Why? Because she may be able to grow her individual Social Security benefit by waiting until age 70.

While it's possible for couples to coordinate their separate benefits to receive more money, these strategies require careful planning, good timing, and an understanding of numerous laws. Like Susan, sound financial advice can help ensure you and your spouse get everything you've worked so hard for.

CHAPTER 03



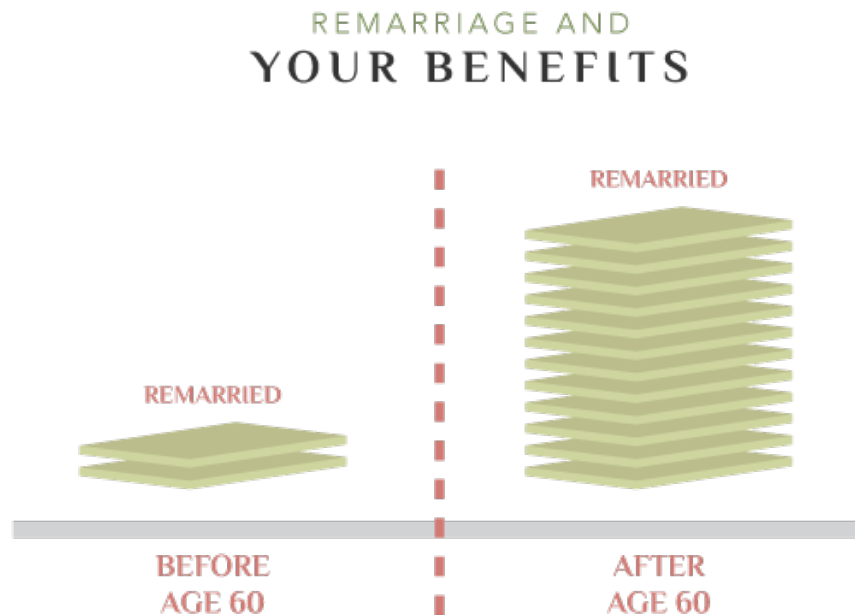
DIVORCED? **KNOW THE RULES**

Divorce can bring with it a unique series of financial challenges. Luckily, if you were married for 10 years or more, you can still receive benefits through your ex-spouse, even if they've remarried. To take advantage of this benefit, you must meet some key criteria.

- BE AT LEAST 62 YEARS OLD
- HAVE AN EX-SPOUSE WHO IS ELIGIBLE TO RECEIVE SOCIAL SECURITY
- BE ENTITLED TO A SMALLER BENEFIT ON YOUR OWN THAN WHAT YOU WOULD RECEIVE THROUGH YOUR EX-SPOUSE

DIVORCED? KNOW THE RULES

If you're under 60, you must be currently single to receive an ex-spouse's benefits. If you're 60 or older and you want to remarry, go for it. The Social Security Administration allows you to keep the benefits based on your ex's income if you remarry after age 60.



Now, let's talk quantity. The amount of money you're entitled to varies depending on the average amount your ex earned over a 35-year period. In general, your benefit is equal to half of your ex-spouse's full retirement amount. If your ex-spouse qualifies for benefits but hasn't claimed them yet, don't worry. You can still receive spousal benefits if you have been divorced for at least two years, and your ex hasn't begun to draw Social Security.⁶ Keep in

mind, these benefits do not include those delayed retirement credits we covered earlier in Section 1.

While these are some of the more important aspects of Social Security for divorcees, the interplay between various Social Security rules is complex and often confusing. It's important to consider all of your options carefully.



EX-SPOUSE BENEFIT CRITERIA

- BE AT LEAST 62 YEARS OLD
- HAVE AN EX-SPOUSE WHO IS ELIGIBLE TO RECEIVE SOCIAL SECURITY
- BE ENTITLED TO A SMALLER BENEFIT ON YOUR OWN



CHAPTER 04



MAKE IT WORK TO KEEP WORKING

Work provides income, personal satisfaction, and for many, a sense of purpose. In fact, a recent survey found that 74% of Americans plan to work past retirement age.⁷

If you're part of that 74%, there are some things you should know. If you decide to take Social Security before your full retirement age while you also continue to work, your benefits will be reduced by \$1 for every \$2 in earnings above the

annual limit (\$17,640 in 2019). Even if you work during the year in which you attain full retirement, but before your birthday month, your benefits will be reduced by \$1 for every \$3 over a different annual limit (\$46,920 in 2019).⁸



MAKE IT WORK TO KEEP WORKING

Once you reach full retirement age, income from work will no longer reduce your benefits, but depending on your income level, your Social Security benefit may be subject to taxation.⁹

Unless you need Social Security to help with living expenses, it may be better to wait until you reach your full retirement age to claim those benefits. If you do need to claim early, and you happen to earn over \$15,720 a year, some portion of your monthly benefit will be withheld. Then, once you reach full retirement age, your monthly benefits will be adjusted upward to account for the money that was withheld while you were working.¹⁰

Unfortunately, this means you would lose money even after reaching full retirement age. To potentially increase your Social Security while working, consider waiting to claim benefits until you've reached your full retirement age.

Balancing the satisfaction of work with your retirement strategy can be tricky, but many people find that the benefits of continuing to work after retirement age are worth holding onto. Only you can decide what the right option is for you, and we're here to support your decision.

AGE FOR RECEIVING FULL SOCIAL SECURITY RETIREMENT BENEFITS

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

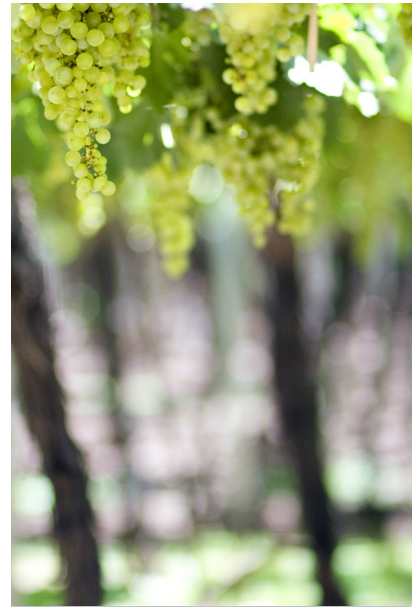
SUMMARY

There's no question that Social Security can be an important part of a sound retirement strategy, but the rules change as frequently as new laws are enacted. Whether you're single, married, divorced, or planning to continue working, what sounds right for you today may be sour grapes tomorrow.

Fortunately, you don't have to figure it out on your own. We're always standing by to help. Regardless of your situation, it's important to develop a plan that is flexible, smart, and makes sure you're getting the most out of your Social Security benefits. After all, you've earned it.



DISCLOSURES & SOURCES



- ① Social Security Administration, 2018
- ② Employee Benefit Research Institute, 2018
- ③ AARP Research, 2016
- ④ Withdrawals from traditional IRAs are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Generally, once you reach age 70½, you must begin taking required minimum distributions.
- ⑤ Social Security Administration, Social Security Matters.
- ⑥ Social Security Administration, Benefits Planner: Retirement.
- ⑦ Gallup. Most U.S. Employed Adults Plan to Work Past
- ⑧ Social Security Administration, 2019
- ⑨ Social Security Administration, 2018
- ⑩ Social Security Administration, 2018

Additional Resources...

These resources were chosen specifically to answer all your retirement questions



Retirekit 65+

Social Security Kit



Disclosure: Advisory services offered through Wealth Enhancement Advisory Services, LLC, a registered investment advisor and affiliate of Wealth Enhancement Group®. Wealth Enhancement Group is a registered trademark of Wealth Enhancement Group, LLC. Trust services offered through Wealth Enhancement Trust Services, LLC, a trust company chartered under South Dakota law.

Check the background of investment professionals associated with this site on the Investment Advisor Public Disclosure website.

WEAS ADV Part 2A with Form CRS Form CRS WEAS ADV PART 2A Appendix 1

This site is published for residents of the United States only. Investment Advisor Representatives of Wealth Enhancement Advisory Services may only conduct business with residents of the states and jurisdictions in which they are properly registered. All information herein has been prepared solely for information purposes, and it is not an offer to buy or sell, or a solicitation of an offer to buy or sell any security.