



SOCIAL SECURITY MAXIMIZATION REPORT

Analysis for:

John and Jane Smith

Prepared on February 22, 2022

Presented by:

Financial Professional





Introduction to Social Security

As individuals transition from the accumulation phase to the distribution phase of their life, they are looking for ways to continue receiving their paychecks and maintain their current lifestyle. Unfortunately for many, the income they receive from Social Security and pensions alone are not enough. In addition, many families take Social Security at the wrong time. One of the main reasons for this is a lack of education with regards to filing options. Social Security seems simple from the outside but inside are a wealth of different options that could directly affect you and your family for life. How do you know which option will be best for you?

A key to maximizing Social Security is asking yourself, "What do I know about me that the government doesn't?" Social Security was designed based on actuarial tables taking into account millions of workers claiming Social Security. The Proprietary software that generated this report is designed to provide you the optimal filing strategy with YOUR life in mind.

The report will provide answers to the following questions about Social Security:

- Maximization
 - Which strategy will provide us the most income over our life expectancy?
- Spousal Benefit Planning
 - What options does my spouse have and am I choosing the one that will provide the most income?
- Survivors Benefits
 - If I pass away, what options does my spouse have and how much income will they receive?
- Impact Of Working In Retirement
 - If I make additional income during retirement, how is it going to affect my Social Security benefit?
- Social Security Taxation
 - How much of my Social Security will be subject to taxation?
- Other Scenarios
 - What impact will divorce, disability, or government employment have on my benefit?
- Medicare
 - What level of cost can I expect in retirement and how will my income affect Premiums?

The information provided in this report is designed to give you the maximum lifetime Social Security benefits based on your individual situation. It examines every one of your thousands of options and how to fill your income needs. With this retirement planning tool, you can now make informed, sound financial decisions that will benefit you and your family for the rest of your life.

*according to www.SocialSecurity.gov (understanding the benefits 2022)





SOCIAL SECURITY MAXIMIZATION REPORT

Personalized Data Sheet

Information	John Smith		Jane Smith	
Gender	Male		Female	
Date of Birth	01/01/1954		01/02/1956	
Current Age	68		66	
Monthly Primary Insurance Amount	\$2,400		\$2,100	
COLA	1.0 %		1.0 %	
Retirement Strategy	Age	Date	Age	Date
Next Available Date	68 & 1 mos	02/2022	66 & 1 mos	02/2022
Full Retirement Age	66	01/2020	66 & 4 mos	05/2022
Latest Retirement Age	70	01/2024	70	01/2026
Life Expectancy				
Average Age of Death	83 & 9 mos	10/2037	85 & 8 mos	09/2041

Working in Retirement

Name	Start Age / End Age		Amount
John Smith	68 (01/2022)	68 & 11 mos (12/2022)	\$80,000 per year
Jane Smith	66 (01/2022)	66 & 11 mos (12/2022)	\$60,000 per year

**Your recommended strategy may exclude scenarios, prior to full retirement age, that would result in a reduction of benefits due to the annual earnings limit test.*





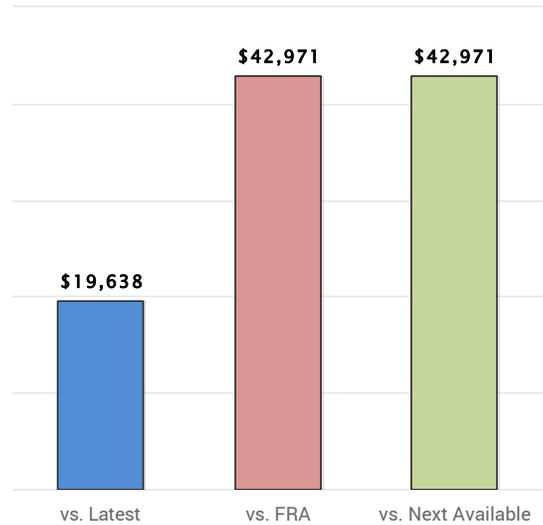
SOCIAL SECURITY MAXIMIZATION REPORT

Your Social Security Maximized*

The information below is based on the data you provided and your projected life expectancy. It is designed to help you make the best decision possible for when you should begin receiving Social Security benefits. The recommendations will help you and your family receive the maximum cumulative benefit from Social Security over your lifetime. By following your Optimized Filing Strategy you will receive an estimated **\$42,971** in additional income based on your life expectancy.

\$42,971 Additional Income

Additional Income using your Optimized Filing Strategy



Your Optimized Filing Strategy

- Jane, claim your own benefit at age 66 & 4 mos (2022)
- John, file a restricted application to claim only your spousal benefit at age 68 & 4 mos (2022). Filing a restricted application allows you to receive spousal benefits while earning Delayed Retirement Credits on your own benefit
- John, claim your own benefit at age 70 (2024)
- Jane, claim your survivor benefit at age 81 & 9 mos (2037)

Expected Lifetime Family Benefit...

...using this strategy: **\$1,185,663.**

...if both spouses elect at their **Next Available Dates:**

\$1,142,692.

...if both spouses elect at **Full Retirement Ages:** **\$1,142,692.**

...if both spouses elect at their **Latest Retirement Ages:**

\$1,166,025.

**Your recommended strategy may exclude scenarios, prior to full retirement age, that would result in a reduction of benefits due to the annual earnings limit test.*





SOCIAL SECURITY MAXIMIZATION REPORT

Joint Lifetime Benefits

Optimized Filing Strategy*

Benefit Type	Benefit Date (Age)	Monthly Benefit	Total Benefit	Lifetime Benefits
John Smith's Spousal Benefits	05/2022 (68 & 4 mos)	\$1,050	\$21,126	
John Smith's Own Benefits	01/2024 (70)	\$3,232	\$568,629	\$589,755
Jane Smith's Own Benefits	05/2022 (66 & 4 mos)	\$2,100	\$419,184	
Jane Smith's Survivor Benefits	10/2037 (81 & 9 mos)	\$3,678	\$176,724	\$595,908
				\$1,185,663

*May exclude scenarios, prior to full retirement age, that would result in a reduction of benefits due to the annual earnings limit test.

File at Next Available Date*

Benefit Type	Benefit Date (Age)	Monthly Benefit	Total Benefit	Lifetime Benefits
John Smith's Own Benefits	02/2022 (68 & 1 mos)	\$2,800	\$567,312	\$567,312
Jane Smith's Own Benefits	05/2022 (66 & 4 mos)	\$2,100	\$419,184	
Jane Smith's Survivor Benefits	10/2037 (81 & 9 mos)	\$3,251	\$156,196	\$575,380
				\$1,142,692

*May exclude scenarios, prior to full retirement age, that would result in a reduction of benefits due to the annual earnings limit test.

File at Full Retirement Age

Benefit Type	Benefit Date (Age)	Monthly Benefit	Total Benefit	Lifetime Benefits
John Smith's Own Benefits	02/2022 (68 & 1 mos)	\$2,800	\$567,312	\$567,312
Jane Smith's Own Benefits	05/2022 (66 & 4 mos)	\$2,100	\$419,184	
Jane Smith's Survivor Benefits	10/2037 (81 & 9 mos)	\$3,251	\$156,196	\$575,380
				\$1,142,692

File at Latest Age

Benefit Type	Benefit Date (Age)	Monthly Benefit	Total Benefit	Lifetime Benefits
John Smith's Own Benefits	01/2024 (70)	\$3,232	\$568,629	\$568,629
Jane Smith's Own Benefits	01/2026 (70)	\$2,826	\$420,672	
Jane Smith's Survivor Benefits	10/2037 (81 & 9 mos)	\$3,678	\$176,724	\$597,396
				\$1,166,025





SOCIAL SECURITY MAXIMIZATION REPORT

Optimized Filing Strategy Cash Flow

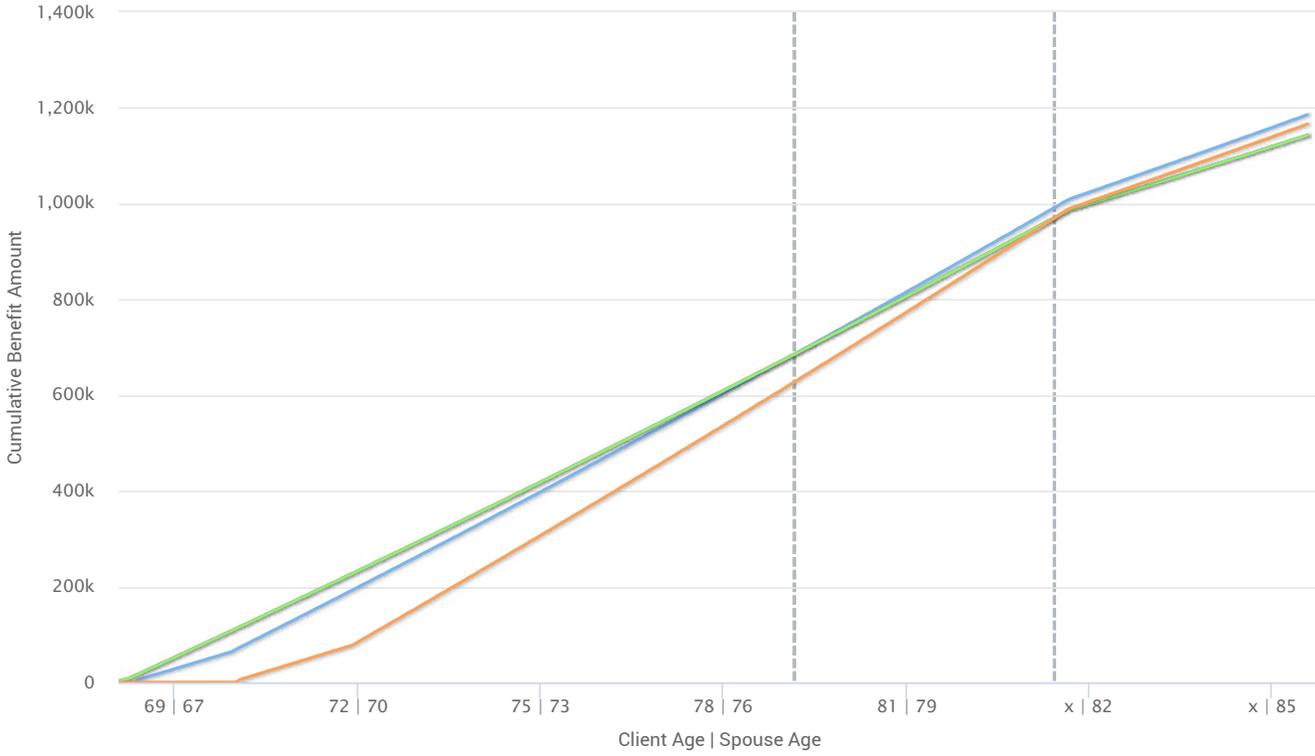
Year	Ages of Clients	SS Benefits for John Smith		SS Benefits for Jane Smith		Total Annual Income
		Own	Spousal	Own	Survivor	
^{1,2} 2022	68 / 66	\$0	\$8,400	\$16,800	\$0	\$25,200
2023	69 / 67	\$0	\$12,726	\$25,452	\$0	\$38,178
³ 2024	70 / 68	\$38,780	\$0	\$25,707	\$0	\$64,487
2025	71 / 69	\$39,168	\$0	\$25,964	\$0	\$65,132
2026	72 / 70	\$39,560	\$0	\$26,223	\$0	\$65,783
2027	73 / 71	\$39,955	\$0	\$26,485	\$0	\$66,441
2028	74 / 72	\$40,355	\$0	\$26,750	\$0	\$67,105
2029	75 / 73	\$40,758	\$0	\$27,018	\$0	\$67,776
2030	76 / 74	\$41,166	\$0	\$27,288	\$0	\$68,454
2031	77 / 75	\$41,578	\$0	\$27,561	\$0	\$69,138
2032	78 / 76	\$41,993	\$0	\$27,836	\$0	\$69,830
2033	79 / 77	\$42,413	\$0	\$28,115	\$0	\$70,528
2034	80 / 78	\$42,837	\$0	\$28,396	\$0	\$71,233
2035	81 / 79	\$43,266	\$0	\$28,680	\$0	\$71,946
2036	82 / 80	\$43,698	\$0	\$28,967	\$0	\$72,665
⁴ 2037	83 / 81	\$33,102	\$0	\$21,942	\$11,034	\$66,078
2038	84 / 82	\$0	\$0	\$0	\$44,577	\$44,577
2039	85 / 83	\$0	\$0	\$0	\$45,023	\$45,023
2040	86 / 84	\$0	\$0	\$0	\$45,473	\$45,473
2041	87 / 85	\$0	\$0	\$0	\$30,618	\$30,618
		\$568,629	\$21,126	\$419,184	\$176,724	\$1,185,663

1. Jane files for her own benefit on May 2022 at age 66 & 4 mos
2. John files a restricted application for spousal benefit on May 2022 at age 68 & 4 mos
3. John files for his own benefit on January 2024 at age 70
4. Jane collects the survivor benefit at John's death on October 2037 at age 81 & 9 mos





Comparison of Lifetime Benefits



- The Expected Lifetime Benefit for each strategy:**
- \$1,185,663 using the optimized filing strategy - up to \$42,971 in additional lifetime income
 - \$1,142,692 if both spouses elect at their earliest filing date
 - \$1,142,692 if both spouses elect at their FRA
 - \$1,166,025 if both spouses elect at their latest filing date

The comparison of lifetime benefits uses the Average Age of Death for John Smith at 83 & 9 mos (October 2037) , and Average Age of Death for Jane Smith at 85 & 8 mos (September 2041).





SOCIAL SECURITY MAXIMIZATION REPORT

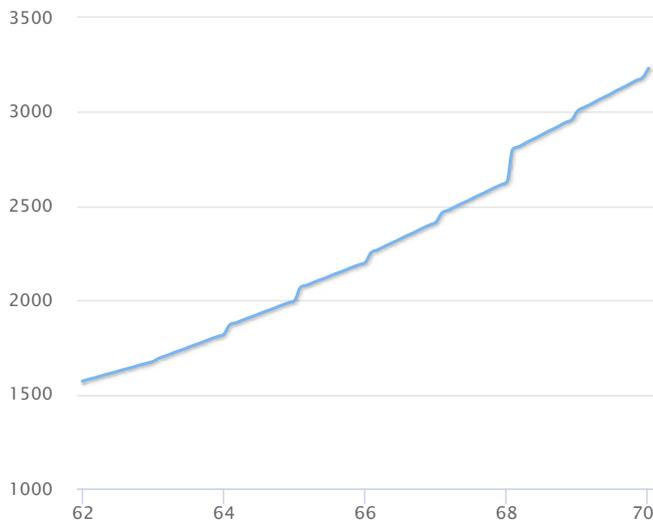
John's Individual Benefits

Strategy	Age	Date
Next Available Date	68 & 1 mos	02/2022
Full Retirement Age (FRA)	66	01/2020
Latest Retirement Age	70	01/2024

	Age	Date
Life Expectancy	83 & 9 mos	10/1/2037

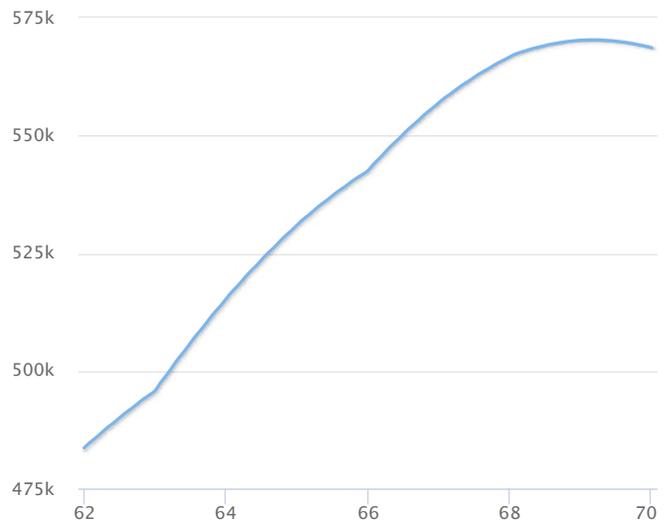
Age	Monthly Benefit	Lifetime Benefit*
62	\$1,570	\$483,642
63	\$1,675	\$495,785
64	\$1,820	\$515,265
65	\$1,999	\$530,950
66	\$2,202	\$542,511
67	\$2,416	\$556,956
68	\$2,629	\$566,699
69	\$3,006	\$570,236
70	\$3,232	\$568,629

Monthly Benefits



Monthly Benefits

Lifetime Benefits



Lifetime Benefits

Based on your life expectancy, the optimal scenario to maximize your individual lifetime benefit amount is:

Age	69 & 2 mos
Start Date	03/2023
Monthly Benefit	\$3,038
Number of Payments	175
Lifetime Benefits*	\$570,291

*No spousal or survivor benefits are used in this calculation.

Benefit Amount, as a percentage of Primary Insurance Amount (PIA), payable at ages 62-67 and age 70. Normal retirement age is **66**.

Birth Year	70
1954	132%





SOCIAL SECURITY MAXIMIZATION REPORT

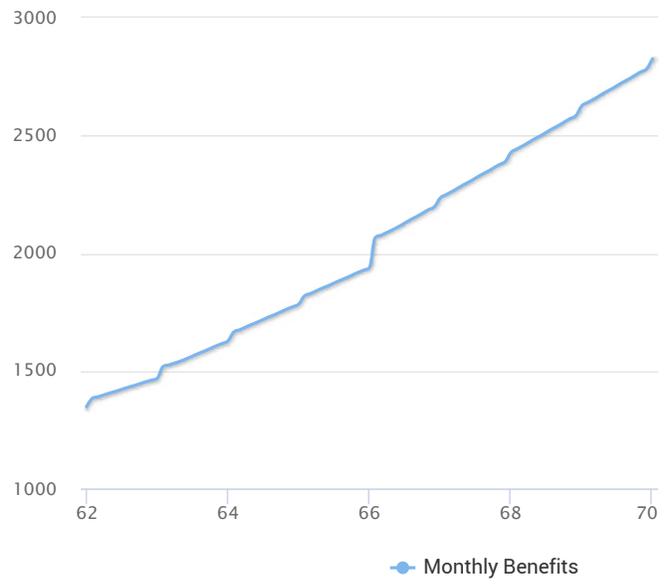
Jane's Individual Benefits

Strategy	Age	Date
Next Available Date	66 & 1 mos	02/2022
Full Retirement Age (FRA)	66 & 4 mos	05/2022
Latest Retirement Age	70	01/2026

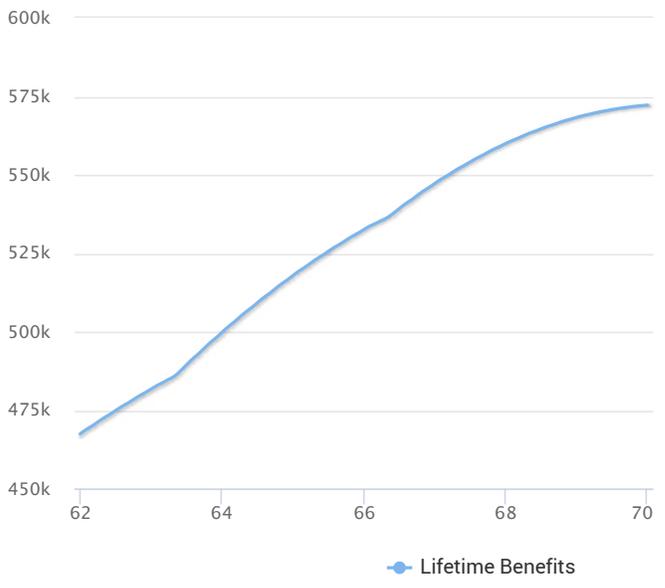
	Age	Date
Life Expectancy	85 & 8 mos	9/1/2041

Age	Monthly Benefit	Lifetime Benefit*
62	\$1,347	\$467,402
63	\$1,468	\$481,681
64	\$1,627	\$499,780
65	\$1,784	\$517,861
66	\$1,939	\$532,511
67	\$2,234	\$547,239
68	\$2,428	\$559,956
69	\$2,625	\$568,292
70	\$2,826	\$572,182

Monthly Benefits



Lifetime Benefits



Based on your life expectancy, the optimal scenario to maximize your individual lifetime benefit amount is:

Age	70
Start Date	01/2026
Monthly Benefit	\$2,826
Number of Payments	188
Lifetime Benefits*	\$572,182

Benefit Amount, as a percentage of Primary Insurance Amount (PIA), payable at ages 62-67 and age 70. Normal retirement age is **66, 4 mo..**

Birth Year	66	67	70
1956	97%	105 ¹ / ₃ %	129 ¹ / ₃ %

*No spousal or survivor benefits are used in this calculation.





Protecting the Surviving Spouse

For a couple age 65, there is a:

- 72% chance one will live to age 85,
- 45% chance one will live to age 90, and
- 18% chance one will live to age 95*

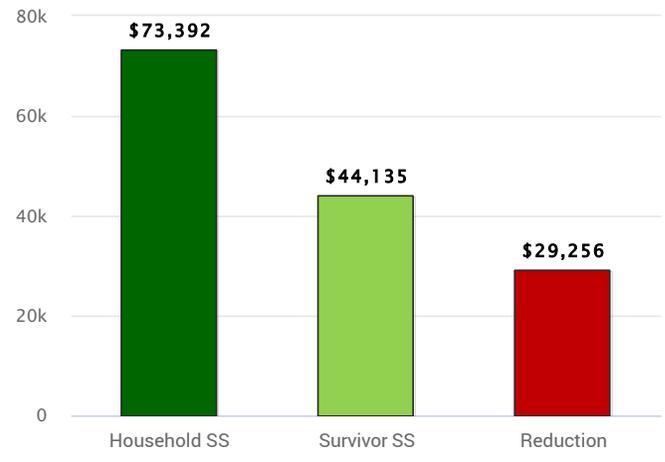
More than half of elderly widows now living in poverty were not poor before the death of their husbands.

Approximately **70%** of all elderly persons with incomes below the poverty level are women.†

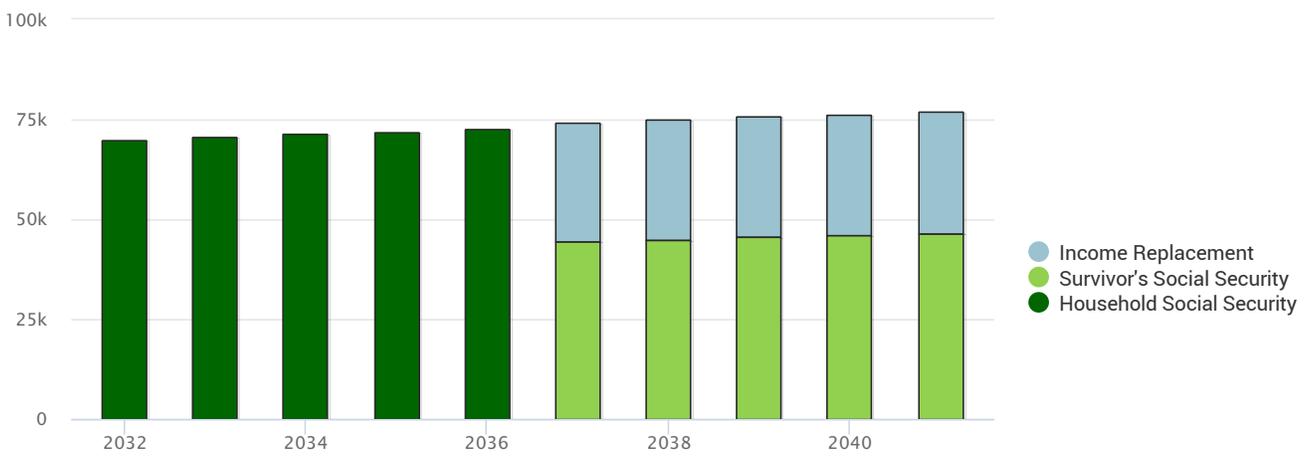
Your Situation

Upon the death of either John or Jane, your annual Social Security benefit will be reduced from **\$73,392 to \$44,135 per year‡**.

Do you feel this lifetime reduction of **\$29,256 per year** will impact your standard of living?



Solution



You should plan for an after tax amount of **\$306,087** to replace lost income for **10 years.**

You should plan for an after tax amount of **\$470,937** to replace lost income for **15 years.**

* <https://www.soa.org/files/research/projects/research-key-finding-longevity.pdf>
 † <http://assets.aarp.org/rgcenter/ppi/econ-sec/2010-03-poverty.pdf>
 ‡ Income amounts based off the Optimized Filing Strategy. These amounts will vary based on the filing strategy elected. Assumes the death of a spouse October 2037. Survivor benefit may be different if the GPO reduction applies.





Medicare Costs In Retirement

Premiums and deductibles for the traditional Medicare choices can quickly diminish your retirement savings. Have you included Medicare costs in your income plan?

- Part A covers inpatient hospital costs, stays in skilled nursing facilities, home health care visits and hospice care. Most beneficiaries pay no premium for part A, but there is a deductible of \$1,556 in 2022 for inpatient hospital stays. Additional co-payments and co-insurance can arise depending on the length of your hospital stay and medical requirements.
- Part B, which covers doctor visits, outpatient services, preventive care and some home health visits, does charge a premium, and in 2022 the standard monthly premium is \$170.10 - or \$2,041.20 for the year (see table below). The current annual deductible is \$233. For those currently receiving Social Security, the Medicare Hold Harmless Provision insures that Social Security checks will not decline from one year to the next due to increases in Medicare Part B premiums.
- Part D, which is the drug plan, has premiums that are wide ranging but average approximately \$43 per month - or \$516 a year. More plans will start charging a deductible, which can be as high as \$480 in 2022. There is a 1% penalty per month if you fail to enroll into a Part D plan at age 65.
- Medicare Advantage (Part C) Plans are offered by private companies approved by Medicare. You will receive your Part A and B coverage from the Medicare Advantage Plan and not the original Medicare Part A and B.
- Medicare Supplement (Medigap) Insurance, sold by private companies, can help pay some of the health care costs that Part A and B do not cover - like copayments, coinsurance, and deductibles. Based on your age, state and zip code, average premiums vary widely for Medicare Plan G, which is the most commonly purchased plan.

2022 Part B & D Income Related Adjustment Amount (IRMAA)

If your filing status and Modified Adjusted Gross Income (MAGI) in 2020 was:

File Individual Tax Return	File Joint Tax Return	Married & File Separate Tax Return	Part B	Part D
≤ \$91,000	≤ \$182,000	≤ \$91,000	\$170.10	No IRMAA, Only Plan Premium
\$91,001 - \$114,000	\$182,001 - \$228,000	Not Applicable	\$238.10	\$12.40 + Plan Premium
\$114,001 - \$142,000	\$228,001 - \$284,000	Not Applicable	\$340.20	\$32.10 + Plan Premium
\$142,001 - \$170,000	\$284,001 - \$340,000	Not Applicable	\$442.30	\$51.70 + Plan Premium
\$170,001 - \$500,000	\$340,001 - \$750,000	\$91,001 - \$409,000	\$544.30	\$71.30 + Plan Premium
≥ \$500,001	≥ \$750,001	≥ \$409,001	\$578.30	\$77.90 + Plan Premium





SOCIAL SECURITY MAXIMIZATION REPORT

Medicare Costs In Retirement

Year	Client Age	Spouse Age	Part B Premium (1)	Part D Premium (2)	Medicare Supplement (3)	Total Medicare Expenses (4)
2022	68	66				\$8,120
2023	69	67	\$3,836	\$902	\$3,382	\$9,372
2024	70	68	\$4,427	\$1,041	\$3,904	\$9,940
2025	71	69	\$4,696	\$1,104	\$4,141	\$10,543
2026	72	70	\$4,980	\$1,171	\$4,392	\$11,182
2027	73	71	\$5,282	\$1,242	\$4,658	\$11,860
2028	74	72	\$5,602	\$1,317	\$4,940	\$12,579
2029	75	73	\$5,942	\$1,397	\$5,240	\$13,342
2030	76	74	\$6,302	\$1,482	\$5,557	\$14,150
2031	77	75	\$6,684	\$1,572	\$5,894	\$15,008
2032	78	76	\$7,089	\$1,667	\$6,252	\$15,918
2033	79	77	\$7,519	\$1,768	\$6,631	\$16,883
2034	80	78	\$7,975	\$1,875	\$7,033	\$17,906
2035	81	79	\$8,458	\$1,989	\$7,459	\$18,992
2036	82	80	\$8,971	\$2,110	\$7,911	\$20,143
2037	83	81	\$9,515	\$2,238	\$8,391	\$21,364
2038	84	82	\$10,092	\$2,373	\$8,899	\$22,660
2039	85	83	\$10,704	\$2,517	\$9,439	\$24,033
2040	86	84	\$11,353	\$2,670	\$10,011	\$25,490
2041	87	85	\$12,041	\$2,831	\$10,618	\$20,127
			\$9,507	\$2,236	\$8,384	

1. Part B assumes a monthly premium of \$170.10/month per person starting at age 65. This premium can vary based on IRMAA (Income Related Monthly Adjusted Amount). Here we assume modified adjusted gross income of \$182,000 or less.

2. Part D assumes an estimated premium of \$40/month per person starting at age 65. Your premium will vary depending on your age, state, specific policy, and IRMAA.

3. Medicare Supplement is based on an estimated \$150/month premium per person starting at age 65. It will vary on your age, state, and the specific policy chosen.

4. This is the total of the estimated annual premiums for Part B, Part D, and Medicare Supplement.

All premiums assume an inflation rate of 5.9%. Part B and Part D premiums can be deducted directly from your Social Security benefit. If you are not receiving your Social Security benefit, you will need to pay this directly to the Medicare Premium Collection Center.*

**Health spending is projected to grow at an average rate of 5.9% percent from 2019-2028. <https://www.cms.gov/files/document/nhe-projections-2019-2028-forecast-summary.pdf>. This report is designed to give a hypothetical estimate of Medicare costs. We cannot and do not guarantee the applicability or accuracy in regards to your individual circumstances. The Financial Services Professional and any information contained herein are not affiliated with or endorsed by the Social Security Administration, Medicare or any government agency.*





SOCIAL SECURITY MAXIMIZATION REPORT

Important Retirement Dates

Age	John	Jane	
59½	July 2013	July 2015	At age 59½, you can access your investments in IRAs and other retirement accounts without early-withdrawal penalties. If you have a Roth IRA, withdrawals may be tax-free.
65	January 2019	January 2021	Three months prior to your turning 65, you should sign up for Medicare Part A at the very least, and it would probably be beneficial to sign up for Medicare Part B as well. You have a seven month window around your 65th birthday that begins three months before the month you turn 65 and ends three months after the month you turn 65. It's a good idea to sign up right away because Medicare Part A is free and your Medicare Part B monthly premium increases 10 percent for each 12-month period you were eligible for Medicare Part B, but did not enroll.
72	January 2026	January 2028	This final milestone requires you to take a Required Minimum Distribution (RMD) from your retirement accounts this year and each year thereafter. If 70.5 was obtained prior to 1/1/2020, distributions were required for that year, and going forward. If 70.5 is obtained 1/1/2020 or later, your first distribution is required for the year you obtain age 72. The 1st distribution can be delayed until April 1st of the following calendar year. In that case, 2 distributions are required in that calendar year. The amount of the distribution is calculated by taking your balance as of December 31st of the prior year for all your IRA and other qualified retirement accounts and dividing that value by your RMD factor. Factors are determined by the Internal Revenue Service and are found in IRS Publication 590. Keep in mind there are withdrawal aggregation rules between different types of retirement accounts.

Optimized Filing Strategy Timeline

Date	John's Age	Jane's Age	
May 2022	68 & 4 mos	66 & 4 mos	Jane files for her own benefit on May 2022 at age 66 & 4 mos
May 2022	68 & 4 mos	66 & 4 mos	John files a restricted application for spousal benefit on May 2022 at age 68 & 4 mos
January 2024	70	68	John files for his own benefit on January 2024 at age 70
October 2037	83 & 9 mos	81 & 9 mos	Jane collects the survivor benefit at John's death on October 2037 at age 81 & 9 mos





Your Recommended Strategies

Social Security provides a lifelong income stream and contributes to the foundation of your retirement income plan. There are many factors that need to be considered when choosing how to maximize your lifetime benefit. The following filing techniques were used to determine your personalized filing strategy.

Spousal Benefits: If the spouse of a worker begins to receive benefits at his/her full retirement age (FRA), the spouse will receive 50 percent of the worker's primary insurance amount. If the spouse begins collecting benefits before FRA, the amount of the spouse's benefit is reduced by a percentage based on the number of months before he/she reaches FRA. The spouse cannot collect spousal benefits until the worker has begun collecting.

Restricted Application: If you became 62 years old on or before January 1, 2016, you can still plan to use a Restricted Application strategy when you reach FRA. If you turned 62 on or after January 2, 2016, Restricted Application is not available as a filing strategy. If you are currently married, have reached your FRA, and your spouse is receiving their own benefit, you can apply for a spousal benefit and delay taking your own benefit until age 70. This strategy allows you to claim a spousal benefit now, and claim a higher retirement benefit later by allowing your benefit to earn DRCs. This strategy may also be available to ex-spouse.

Benefits for Widows & Widowers: You can collect survivor benefits based on your spouse's work as early as age 60. You can switch to retirement benefits based on your own work if they are higher than those you receive from your deceased spouse's work at a later date. If you began to receive a benefit based on your own work initially, you can later switch to benefits based on your deceased spouse's work if it is higher.

Working in Retirement: If you are younger than FRA, there is a limit to how much you can earn and still receive all your Social Security benefits. If you are younger than FRA, \$1 in benefits will be deducted for each \$2 in earnings you have above the annual limit (\$19,560 in 2022). In the year you reach your FRA, your benefits will be reduced \$1 for every \$3 you earn over a different limit (\$51,960 in 2022) until the month you reach FRA. The recommended strategy excludes scenarios that would result in a reduction of benefits due to the annual earnings limit test.





Components of Social Security Planning

Primary Insurance Amount (PIA): The Primary Insurance Amount (PIA) is the benefit a person would receive if he/she elects to begin receiving retirement benefits at his/her Full Retirement Age (FRA). At this age, the benefit is neither reduced for early retirement nor increased for delayed retirement.

Full Retirement Age (FRA): This is the age at which you are eligible to receive your retirement benefit without a reduction. Those obtaining FRA in 2022 are age 66. Based on the year of your birth, younger individuals may have an FRA as late as age 67.

Delayed Retirement Credits (DRC): When you delay receiving your benefit beyond FRA, you are eligible to receive DRCs. For every year your benefit is delayed beyond FRA, your benefit will roll-up by 8% until age 70.

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Ex-Spousal Benefits: Ex-spouses may be eligible to receive Social Security benefits based on their former spouse's work record. If they were married for at least 10 years, the ex-spouse may be entitled to full spousal and survivors' benefits. A divorced spouse is entitled to 50 percent of their ex-spouse's benefit at their FRA. You are eligible for a spousal benefits as early as age 62 if your ex-spouse is currently receiving a benefit or if you have been divorced for longer than two years and your ex-spouse is at least 62 years old. Spousal benefits end when the worker dies, but the ex-spouse may then be entitled to a survivors benefits.

File & Suspend: If you obtained Full Retirement Age before April 30, 2016, you had the option to utilize file and suspend as an advanced filing strategy as long as you filed prior to April 30, 2016. As of that date, file and suspend is no longer available as an advanced filing strategy. For those who filed and suspended by April 30, 2016, it allowed them to receive DRCs and allowed a spouse to file for a spousal benefit.

Restricted Application: If you became 62 years old on or before January 1, 2016, you can still plan to use a Restricted Application strategy when you reach FRA. If you turned 62 on or after January 2, 2016, Restricted Application is not available as a filing strategy. If you are currently married, have reached FRA, and your spouse is receiving their own benefit, you can apply for a spousal benefit and delay taking your own benefit until age 70. This strategy allows you to claim a spousal benefit now, and claim a higher retirement benefit later by allowing your benefit to earn DRCs. This strategy may also be available to an ex-spouse.

Paying Taxes on your Benefits: About 40 percent of all people receiving Social Security benefits have to pay taxes on their benefits. You will have to pay taxes on a percentage of your benefits if you file a federal tax return as an "individual," and your provisional income is more than \$25,000. If you file a joint return, you will have to pay taxes on a percentage of your benefits if you and your spouse have a provisional income that is more than \$32,000. At the most, 85% of your Social Security is subject to taxation.

Annual Earnings Limit: If you are younger than FRA, there is a limit to how much you can earn and still receive all your Social Security benefits. If you are younger than FRA, \$1 in benefits will be deducted for each \$2 in earnings you have above the annual limit (\$19,560 in 2022). In the year you reach your FRA, your benefits will be reduced \$1 for every \$3 you earn over a different limit (\$51,960 in 2022) until the month you reach FRA.





SOCIAL SECURITY MAXIMIZATION REPORT

Windfall Elimination Provision: 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, the pension you get based on that work may reduce your Social Security benefits. The Windfall Elimination Provision (WEP) affects how the amount of your retirement or disability benefit is calculated if you receive a pension from work where Social Security taxes were not taken out of your pay. A modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit than you otherwise would receive. If you paid Social Security tax on 30 years of substantial earnings you are not affected by the Windfall Elimination Provision. The reduction in your Social Security benefit cannot be more than one-half of the amount of your pension. The maximum monthly amount your benefit may be reduced because of the WEP is currently \$512 for someone reaching age 62 in 2022.

Government Pension Offset: If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced. Your Social Security benefits will be reduced by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you are eligible for a \$500 spouse's, widow's or widower's benefit from Social Security, you will receive \$100 per month from Social Security ($\$500 - \$400 = \$100$). If you take your government pension annuity in a lump sum, Social Security still will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Disability Benefits: Social Security pays benefits to people who cannot work because they have a medical condition that is expected to last at least one year or result in death. The amount of the disability benefit is the same as a full, unreduced retirement benefit. When you reach full retirement age, your benefits are automatically converted to retirement benefits. Certain family members of disabled workers also can receive money from Social Security. They include: Your spouse, if he or she is age 62 or older; your spouse, at any age if he or she is caring for a child of yours who is younger than age 16, or your child younger than age 18 or younger than 19 if in school.





SOCIAL SECURITY MAXIMIZATION REPORT

Disclosures and Definitions

This report is designed to give a hypothetical analysis of how an individual's Social Security will work and the calculations are based on the specific information provided. Information is not intended to provide investment advice. We cannot and do not guarantee their applicability or accuracy in regards to your individual circumstances. The benefit amounts provided in this report are estimates based on information provided at this time. Your actual benefit amount may be different. The benefit amount can differ based on multiple factors such as earnings changes, retirement timeline, and cost of living adjustments.

The Financial Services Professional, KonnexMe, LLC and any information contained herein are not affiliated with or endorsed by the Social Security Administration or any governmental agency.

Any COLA used in this calculator is strictly hypothetical.

The Primary Insurance Amount (PIA) is provided by the client and cannot, in any way, be calculated or provided by KonnexMe, LLC.

Important Disclosures

Important Disclosures Regarding this Report

This report is conceptual in nature and past performance numbers do not guarantee future results. Past performance is no guarantee of future performance. Diversification and asset allocation does not assure or guarantee better performance and cannot eliminate the risk of loss.

The report is designed to illustrate concepts and all specific product information must be presented with an appropriate company/custodian illustration and should accompany this report. It is important to review and understand each product/investment's features, risks, charges, withdrawal penalties and expenses before making any financial decisions. Consult your Financial Services Professional ("FSP") to determine which products/investments align with your time horizon, risk tolerance and overall financial needs. The FSP is an independent insurance agent, registered representative or investment advisor representative. This report is for informational purposes only and should not be used as a substitute for official account statements or reports, official tax filing documents, insurance company illustration or custodial reports.

This report outlines different options available to the client. This report is not entirely comprehensive. It is intended to address specific objectives, as outlined by the FSP.

The foregoing conceptual report was created for, and at the direction, of the FSP. The FSP is solely responsible for proper licensure and registration to discuss and present the concepts herein. The recommendations and information herein are provided solely and exclusively by the FSP.

The report is based solely upon information obtained from the FSP, and is dependent on complete and accurate information. This report reflects information provided at the time the report was created. The FSP is responsible for submitting third-party documentation when appropriate.

It is the responsibility of the client and FSP to verify all information used in the report. The client is responsible for updating the FSP about any changes in circumstances.

Tax Considerations

Any references to income taxes are estimates only and should not be relied upon when completing income tax returns. Tax laws are subject to change and may differ from this analysis and may affect the options and information presented. The sale of appreciated assets may result in current tax liabilities not reflected in this report and may reduce actual investable assets. All income tax calculations are assumed based on the incremental tax rate input. This rate could differ materially given your particular tax perspective. State income taxes are not included in this example. Beginning with age 70 1/2 or age 72, depending on your date of birth, you are required by law to withdraw a certain minimum amount from your IRA each year. After your death your beneficiaries are also required to withdraw a minimum amount from their inherited IRA. The report may not reflect your specific RMD schedule or tax situation. Withdrawals of earnings from certain tax-deferred accounts will be subject to ordinary income tax and, if taken prior to age 59 1/2, may be subject to a 10% federal tax penalty. You should consider your personal investment horizon and income tax bracket, both current and anticipated, when making an investment decision as they make further impact the results.

You should choose your annuity, or investment product, based on its features and benefits and whether you can satisfy the conditions for the features and benefits, not its tax benefits alone. Buying an annuity within an IRA or other tax-deferred plan or account does not give you any additional tax benefits.

IRS Circular 230 Notice

As required by U.S. Treasury Regulations, any tax information contained in the report is not provided or intended to be used (and cannot be used) by any taxpayer for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code.





SOCIAL SECURITY MAXIMIZATION REPORT

Income Rider Calculation

When withdrawing from an annuity product with an income rider, companies vary on the amount taken from the Income Rider Accumulation Value. This presentation takes out the withdrawals equally from the Accumulated Value, and proportionally from the Income Rider Value. The proportion is based on the difference between the Accumulated Value and the Income Rider Value. The other method is taking withdrawals dollar for dollar, meaning it's taken equally from both values. The report is designed to illustrate concepts and all specific product information must be presented with an appropriate company/custodian illustration.

Actual Results May Vary

Unless otherwise noted, the assumed rates of return used to calculate various projections are static. The actual variability of returns can impact a portfolio's value. Rate assumptions do not take into account any advisory fees, brokerage or other commissions, or any other expenses, which if taken into account would reduce performance.

Limitations on the Scope of the Report

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