

# SOCIAL SECURITY AND RETIREMENT PLANNING CALCULATOR

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## PRESENTERS



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# HOW I SPENT MY 60<sup>TH</sup> BIRTHDAY



Happy Birthday Michael!  
Pacing Pretty Stable & Michael T. Merlob, Owners  
December 15, 2014  
Bruce Ranger, Driver  
Jim McDonald, Trainer  
Beach Bluster, 2nd  
Stonebridge Adore, 3rd  
\$5,200 Purse  
**Bombilla Hanover**  
CASINO RACING  
POMPANO PARK  
© Skip Photos  
Smith



## SOCIAL SECURITY – EARLY AND DELAYED RETIREMENT AGES

- Retirement benefits can begin as early as age ~~62~~ reduced by:
  - 25% for someone born in 1943 - 1954
  - 30% for a date of birth in 1960 or later
- SS benefits increase up to age ~~70~~ , by 8% per year

# SOCIAL SECURITY FULL RETIREMENT AGE (FRA)

Year of birth <sup>1</sup>	Full (normal) Retirement Age	Months between age 62 and full retirement age <sup>2</sup>	At Age 62 <sup>3</sup>			
			A \$1000 retirement benefit would be reduced to	The retirement benefit is reduced by <sup>4</sup>	A \$500 spouse's benefit would be reduced to	The spouse's benefit is reduced by <sup>5</sup>
<a href="#">1937 or earlier</a>	65	36	\$800	20.00%	\$375	25.00%
<a href="#">1938</a>	65 and 2 months	38	\$791	20.83%	\$370	25.83%
<a href="#">1939</a>	65 and 4 months	40	\$783	21.67%	\$366	26.67%
<a href="#">1940</a>	65 and 6 months	42	\$775	22.50%	\$362	27.50%
<a href="#">1941</a>	65 and 8 months	44	\$766	23.33%	\$358	28.33%
<a href="#">1942</a>	65 and 10 months	46	\$758	24.17%	\$354	29.17%
<a href="#">1943-1954</a>	66	48	\$750	25.00%	\$350	30.00%
<a href="#">1955</a>	66 and 2 months	50	\$741	25.83%	\$345	30.83%
<a href="#">1956</a>	66 and 4 months	52	\$733	26.67%	\$341	31.67%
<a href="#">1957</a>	66 and 6 months	54	\$725	27.50%	\$337	32.50%
<a href="#">1958</a>	66 and 8 months	56	\$716	28.33%	\$333	33.33%
<a href="#">1959</a>	66 and 10 months	58	\$708	29.17%	\$329	34.17%
<a href="#">1960 and later</a>	67	60	\$700	30.00%	\$325	35.00%

Source: SSA.gov



## SOCIAL SECURITY – EARLY AND DELAYED RETIREMENT AGES

- Retirement benefits can begin as early as age 62
- Benefits increase for delayed retirement up to age 70



- Age 62 75% of PIA
- Age 66 100% of PIA
- Age 70 132% of PIA

## WHEN SHOULD YOU BEGIN DRAWING BENEFITS?

### Life expectancy:

- Variation by gender - Male 62: **84.0**    Female 62: **86.4**
- Married couple each aged 62: > 40% chance at least one lives to age 90
- Variation by other factors : Race, Location, Occupation
- Health , Family history & Lifestyle factors
- Online calculators are available

### Other considerations:

- Assets
- Other sources of income
- Financial obligations



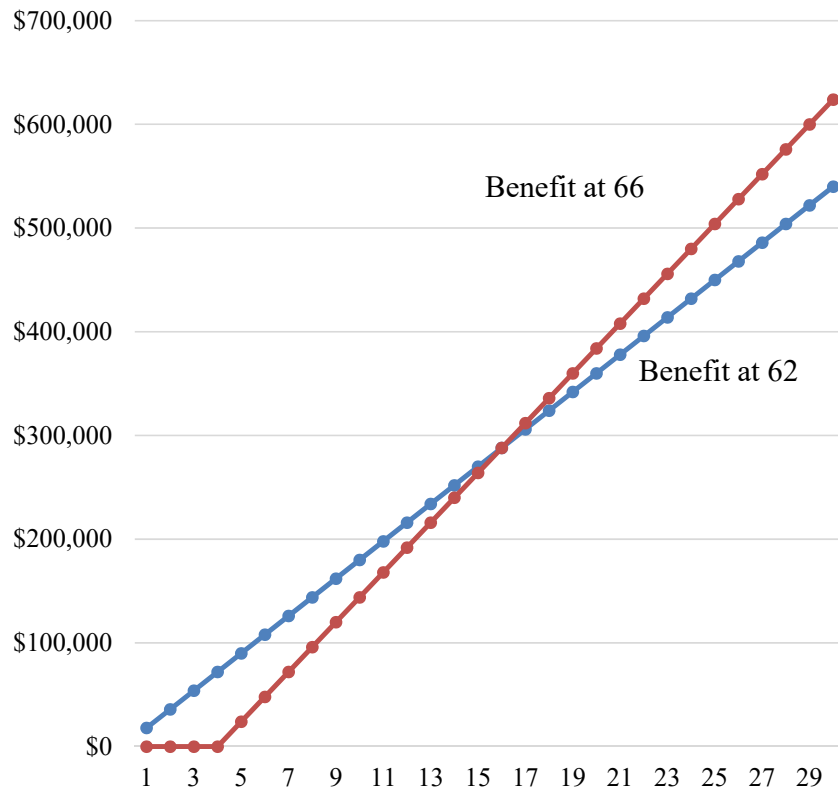
## DRAWING A BENEFIT AT 62 VS. 66

- Michael is 62, single, in good health, and his parents, both over age 90, are still alive
- Michael's PIA at FRA (66) \$2,000
- Michael's Benefit at 62  $\$2,000 * .75 = \$1,500$

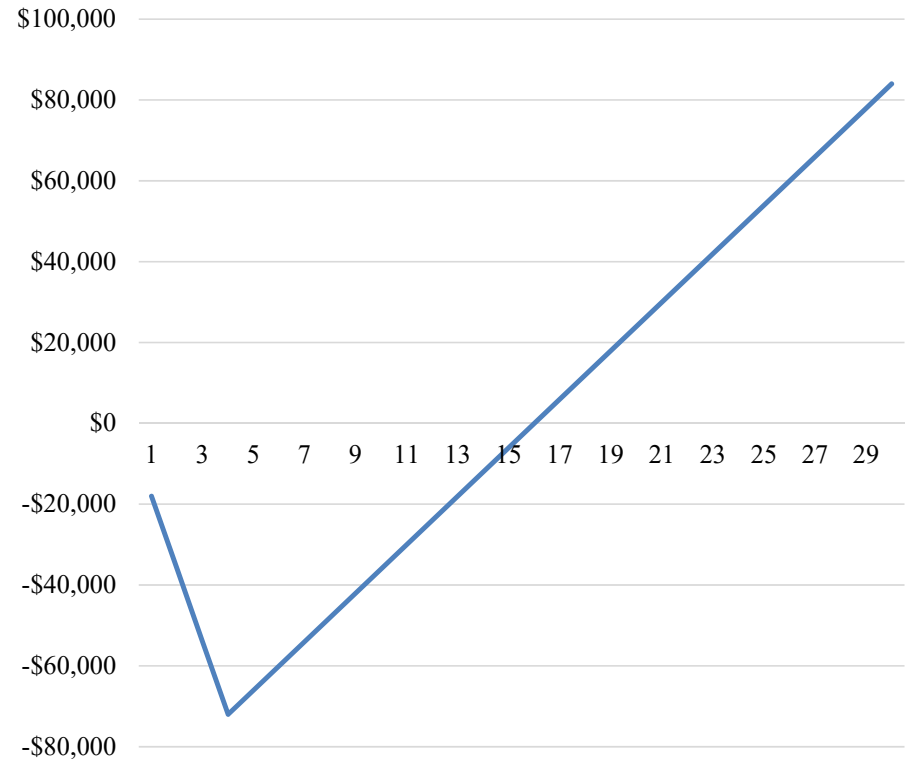


# DRAWING A BENEFIT AT 62 VS. 66

**Break Even Point**



**Age 62 v 66 Cumulative Difference**



## TIMING OPTIONS FOR MARRIED COUPLES

- When spouses are included, the decision making becomes much more complex
- Two sets of life expectancies, early retirement, full retirement and late retirement dates must be evaluated
- Spousal benefits and survivor benefits must also be considered

There are **THOUSANDS** of timing options




## OPTIMIZING – INDIVIDUAL CIRCUMSTANCES VARY AND MATTER

- Mary is 62 and her PIA is \$800
- Scott is 62 and his PIA is \$2,400

### Possible strategy involving multiple benefits

- Mary retires and 62 and draws her own benefit
- Scott retires at 66 and draws his own benefit
- At 66 Mary takes a spousal benefit
- At Scott's death Mary takes a survivor's benefit

## SOCIAL SECURITY – KNOWLEDGE IS POWER

- Reduced benefits can be drawn as early as 62
- Benefits can be increased by delaying retirement up to age 70
- Benefits may be taxable and can be reduced if you work
- There are complex strategies for married couples
- Individual circumstances vary and matter in deciding when to file
- Choosing the wrong option can leave  on the table
- Tools can help your participants make more informed decisions

# RETIREMENT PLANNING CALCULATOR

The City of ABC

Questions? Please contact us via phone:(123) 456-7890 ext. 34 or email: cityofabc@state.gov

LOGIN

## Welcome to The City of ABC Retirement Planning Calculator

Get a reasonable projection of the financial future for you and your loved ones. It may take a few minutes, but it will be worth it in the long run!

[LOGIN](#) Or [SET UP ACCOUNT](#) if you wish to create an account.

Tool helps members to consolidate future inflows / outflows in a single picture to show how retirement might look.



# Thank You for Joining Us!

Feel free to contact us with any questions:

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