



Social Security Explorer

Rules and restrictions added by the Bipartisan Budget Act of 2015 have been applied to the best extent possible, but because some restrictions require exact date of birth, you should confirm actions with Social Security Administration before implementing.

Getting Started Guide

Your purchase of Social Security Explorer enables you to assist all of your clients as they approach retirement with one of the most important financial decisions of their life. The right choices may mean tens of thousands of dollars for their retirement. However, they must make these choices before they file for benefits.

Nine out of ten people age 65 and older are receiving Social Security retirement benefits, and for 32% of them, it represents over 90% of their income. How and when to begin this income is one of the most important decisions many people make concerning retirement. Tens of thousands of people are making their decision every day, yet most of them do not know about their options.

The Social Security office is well staffed with very well trained and knowledgeable employees. The staff answers questions accurately; however, they are instructed not to give advice. Their job is not to advise, but to answer questions and implement decisions. If someone does not know the options, they will not ask about them, and will not be told about them. Learning and considering their options, is a brief, but essential phase of retirement planning. A wrong choice, unless it is corrected within a year, continues for life!

You've probably heard boomers make statements like this:

- "I want to get all the benefits I can, as fast as I can. Who knows how long it'll last."
- "I get really confused when people just throw number after number at me. Can't they make it simple and easy to see what's best?"
- "My friend talked to her financial advisor and was told always to select yadda yadda, yadda; so that's what I'm going to do."
- "I paid for it and I want every penny I'm entitled to!"

Sound familiar? Perhaps you have even said one or two of these. These people need the help you can give them with Social Security Explorer. The right Social Security choices may mean tens of thousands of dollars for retirement.

About Social Security Explorer

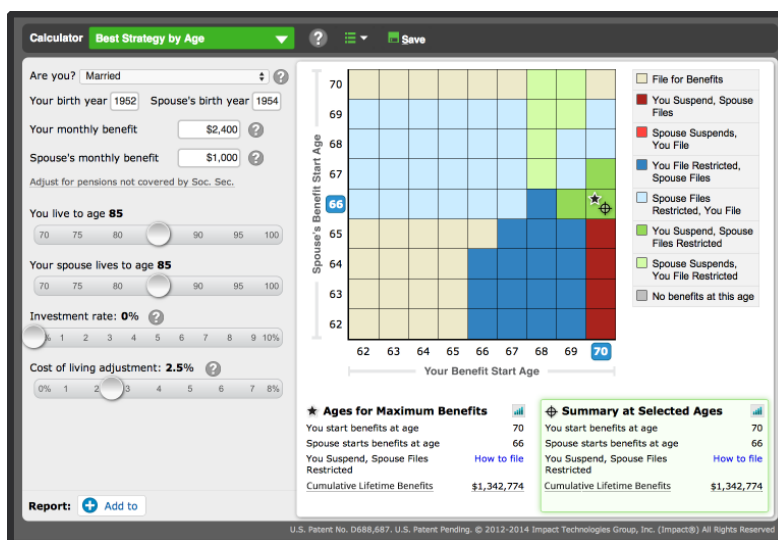


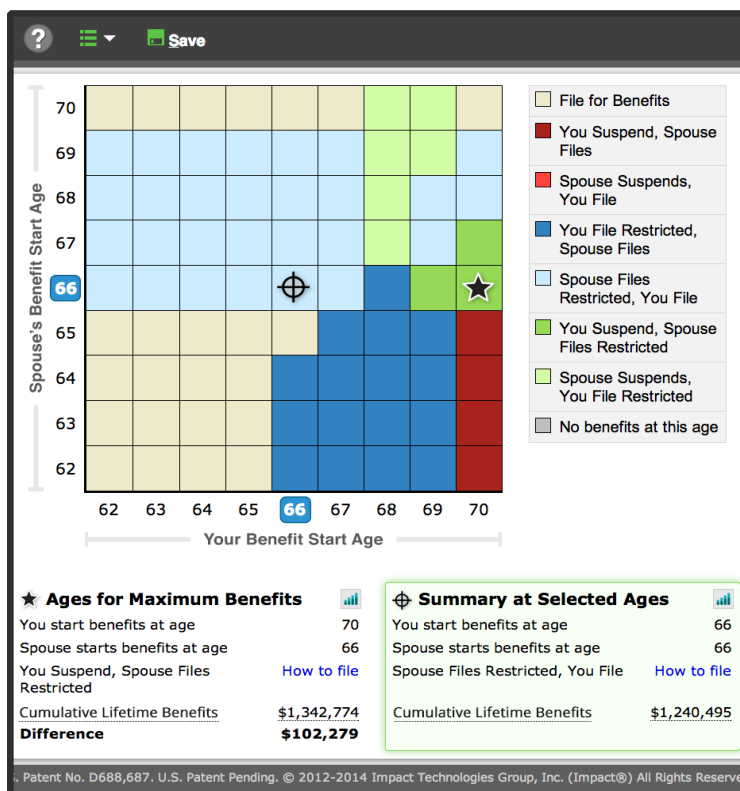
FIGURE 1: Client was born in 1952 and expecting \$2,400 monthly benefit at Full Retirement Age; the Spouse was born in 1954 and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living.

With its patented design, Social Security Explorer is a web and iPad ready application. Social Security Explorer is an innovative way to help producers in the retirement planning market. With very little time or data, it is possible to determine which planning strategy clients should use to best maximize Social Security retirement income benefits. It is well known that qualified

participants can start Social Security benefits between ages 62 and 70. Their spouse also has 9 possible start ages making a possible 81 start age combinations. However, there is much more to consider. With 7 different strategies and 81 start age combinations, there are 567 sets of calculations. Without Social Security Explorer, it is nearly impossible to make all of the calculations necessary to know the best choice. Only with these calculations can your client know the best choice for one of life's most important retirement planning decisions.

The tool provides a powerful way to prospect and set appointments with new or existing clients. Social Security Explorer is excellent for use in seminar selling or as a lead-in to retirement planning product sales. Either way, Social Security Explorer will provide helpful guidance to clients. Using Social Security Explorer will increase productivity and client referrals!

Social Security Explorer analyzes all 7 Social Security strategies, for 81 age combinations, and 567 sets of calculations. Then, it picks the best option (largest total value of all benefits) and puts a star on it.



It's all in one simple visual display!

Each square represents an age combination. Social Security Explorer calculates all 7 strategies for each age combination, and colors the square based on which one's best. And does it with all 81 squares.

Give your clients solid numbers and filing strategy—with the same terminology used by the Social Security office.

FIGURE 2: Client was born in 1952 and expecting \$2,400 monthly benefit at Full Retirement Age; the Spouse was born in 1954 and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%.

Help your clients find their best options just by pointing! Click on any other square and you will see how that benefit start age combination compares to the optimal.

You Can Have Social Security Explorer Working for You 24/7

- Radically different from other Social Security calculators, your clients and prospects can see their best options at-a-glance.
- Use as a door opener.
- Use for seminar selling.
- Earn qualified referrals to other pre-retirees who have interest in learning what strategy is best for their particular situation.
- Social Security shown as an income stream that would stop or be reduced at death. Life insurance is the best tool to protect against lost income streams.

Information You Will Need to Gather

Social Security Explorer needs very little information to give you meaningful results. The more accurate your input, the more precise your results. If you have a good idea as to how to answer the following questions for your client, you have enough to proceed:

- Client's year of birth and, if married, spouse's year of birth.
- If Divorced (after having been married for at least 10 years), client's year of birth, ex-spouse's year of birth, monthly benefits at full retirement age for each, and year divorced.
- If widowed, deceased spouse's age and monthly benefit at full retirement age.
- If retirement date is fixed, what age will client(s) retire?
- What is the expected monthly Social Security benefit at full retirement age? (It is on the Social Security Benefit Statement or client can get it at www.ssa.gov)
- Does the client or spouse have a pension from employment where earnings were not subject to Social Security tax? (non-covered monthly pension)
- Will the client use benefits for living expenses or will they invest it for later?
- What investment rate on savings does your client anticipate? (optional)
- Does the client or spouse expect to live longer or shorter than average life expectancy? (optional, as Social Security assumes average)

Although the information necessary is very simple and straight forward, Social Security Explorer uses these simple answers to evaluate all of the many choices and options.

General Assumptions

Social Security Explorer is intended to help you determine which Social Security choices may be best for your client. The client should always get all questions answered by a Social Security Administration representative. This helps your client know all of the items to ask about. Social Security representatives can give precise answers to questions. Social Security Explorer helps an individual determine the best strategy and age combination to take Social Security retirement benefits.

Although every attempt has been made to make the calculations as accurate as possible, sometimes the Social Security Administration uses some additional factors. Only the Social Security Administration has access to those additional factors. For example, extra credit for military service, or various offsets for certain state retirement plans. The following general assumptions apply for all calculations in Social Security Explorer.



SOCIAL SECURITY ADMINISTRATION

Social Security Administration uses over 2,000 rules to determine a person's Social Security retirement benefit. You should rely on SSA alone for precise calculations. (Social Security Explorer will provide a very close estimate that should assure selecting the best strategy at the best time.) Using Social Security Explorer prior to meeting with SSA and filing for benefits lets your client ask the right questions and review the chosen options.



AGE ASSUMPTIONS

Social Security Explorer uses whole years for ages and calculations. Full Retirement Age is actually defined in two-month increments for some ages, based on the year of birth. Thus, exact dollar amounts will need to be provided by SSA. References to Full Retirement Age should be assumed to be the month and year defined by Social Security.



WORK ASSUMPTION

All calculations made in Social Security Explorer assume that the client will quit work no later than when benefits begin. Working after starting benefits and prior to Full Retirement Age may reduce benefits; however, any benefits withheld will be re-paid when the recipient reaches Full Retirement Age. In addition, continued work may cause basic benefits to change.



NON-COVERED PENSIONS

If the client or the spouse will receive a pension from employment in which the earnings were not subject to Social Security tax one of two adjustments may be made. These adjustments are the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). If there is any adjustment, a check mark is added to the prompt. See Additional Terms and Helpful Information starting on page 16.



COST OF LIVING ADJUSTMENTS

The only increase in Social Security Benefits assumed by Social Security Explorer is Social Security cost of living adjustments. Work prior to starting Social Security benefits could change the average adjusted wage base and thus adjust the PIA (primary insurance amount). Again, your client should always confirm benefit amounts with the Social Security Administration. As your client approaches retirement, adjusting the monthly benefit input in Social Security Explorer will increase its accuracy.



NO PERSONAL DATA

Social Security Explorer has carefully avoided using any individual personal information. No dates of birth, names, or actual earnings records are used. The calculations are based on the age or ages entered and the monthly benefits at Full Retirement Age provided.



NO FURTHER CHANGES TO SOCIAL SECURITY BENEFITS

Almost every proposed change to Social Security has indicated that there would be no change for those workers already age 55 or greater.



YOUR CLIENT HAS NOT ALREADY FILED FOR SOCIAL SECURITY

The most important assumption is that your client has not yet filed for Social Security benefits. Only one change is allowed to filing and that must be within one year of initial filing. It is very important that decisions be made in advance, as adjustments later may not be possible!

Prompts and What to Enter

- Click current **marital status**
- Enter **year of birth(s)**
- Monthly benefit at FRA** (SS Benefit Statement)
- Click on text if there is a **non-covered pension**
- Click on button and slide to **desired age**
- Click on button and slide to **desired age**
- Use 0% if benefits will be used for living expenses
Soc. Sec. Adm. makes annual adj.
for **cost of living estimates**
- Click ? for additional information

The screenshot shows the 'Calculator Best Strategy by Age' interface. It includes a dropdown menu for 'Are you?' set to 'Married', input fields for 'Your birth year' (1952) and 'Spouse's birth year' (1954), and input fields for 'Your monthly benefit' (\$2,400) and 'Spouse's monthly benefit' (\$1,000). There are buttons with question marks next to these fields. Below these are sliders for 'You live to age' (set to 85) and 'Your spouse lives to age' (set to 85). There are also sliders for 'Investment rate' (set to 0%) and 'Cost of living adjustment' (set to 2.5%). A 'Report: + Add to' button is at the bottom.

Purpose of Each Screen

The graphs in Social Security Explorer vary based on your marital status. The name of the screen is on the green bar. Clicking on the arrow at the right of that green bar, displays the choices for the other screens.

The screenshot shows a dropdown menu titled 'Strategies to Maximize Benefits'. The menu is open, showing several options: 'Best Strategy by Age' (highlighted in blue), 'Strategies to Maximize Benefits', 'Basic Benefit Calculation', 'Comparison: Early vs. Late', 'Taxation of Benefits', and 'Optional Strategies'.

Best Strategy by Age

Your client knows when he or she wants to retire, and your client most likely wants to see what would be the best strategy to use. "Best Strategy by Age" shows the strategy with the highest future value of benefits, with or without an option to show future value at a selected investment rate.

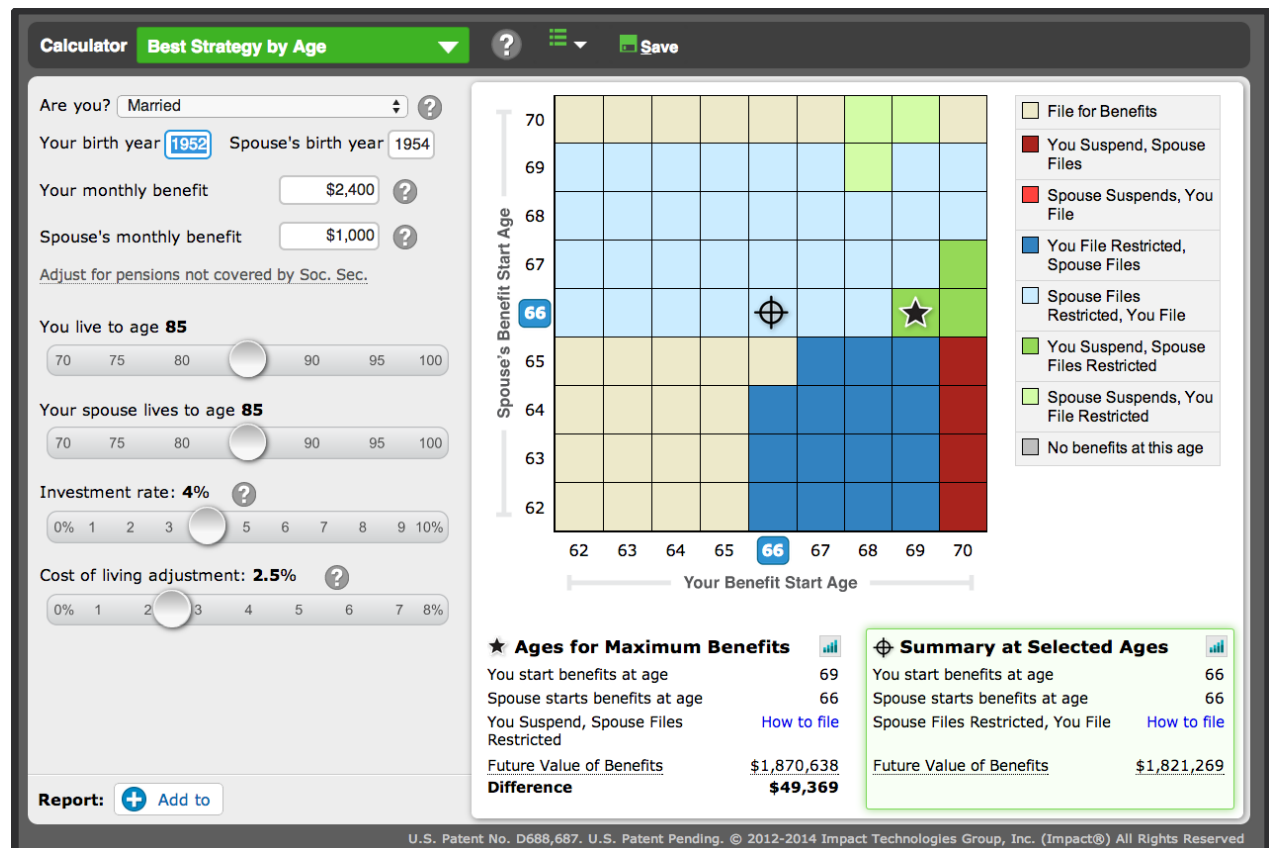


FIGURE 3: Client was born in 1952 and expecting \$2,400 monthly benefit at Full Retirement Age; the Spouse is born in 1954 and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%. The best option at selected ages is more than \$100,000 less than at ages and strategy for maximum benefits.

For each possible starting age combination, the total value is calculated of all benefits received until both clients have died for each of the seven strategies available at those ages. All 567 possible calculations are made – each of the 81 age combinations for each of the seven strategies. The cell on the graph for that age combination is color-coded to indicate the strategy with the highest total value. This is repeated for every age combination. Then, a “star” is placed in the one cell that had the highest overall total.

Click on another start age combination and the Summary of Selected Ages box shows the benefit start ages, future value, and strategy to follow. The “target” may be moved to any cell to see the values for that age combination and strategy would have been. One can then compare that result with the best, or “starred” result. If you change a basic assumption, such as the year of death, calculations are redone and the graph changed as necessary.

Change an assumption; such as living a few years longer than average, and you instantly see any differences. If your client plans to invest benefits, see the effects of a lower or higher investment rate.

Special Sales Tip:

Be the first advisor to discuss Social Security retirement income with your clients. Since the best option may start at age 62, you need to have the social security explorer discussion with your client before age 62. Use the full calculation potential of Social Security Explorer and be the first one to have this important discussion with your client. Show your client that you can help with all of his or her retirement planning needs. While many baby boomers are seeking “Retirement Advisors,” your clients have confidence in you and your advice - You have Social Security Explorer. Do not let your clients be part of the statistics of Baby Boomers switching advisors as they enter retirement.

Strategies to Maximize Benefits

“Strategies to Maximize Benefits” shows all possible calculations for the strategy selected. A single person will only have one strategy--File for Benefits. The title of the screen in the print is Value of Social Security Benefits.

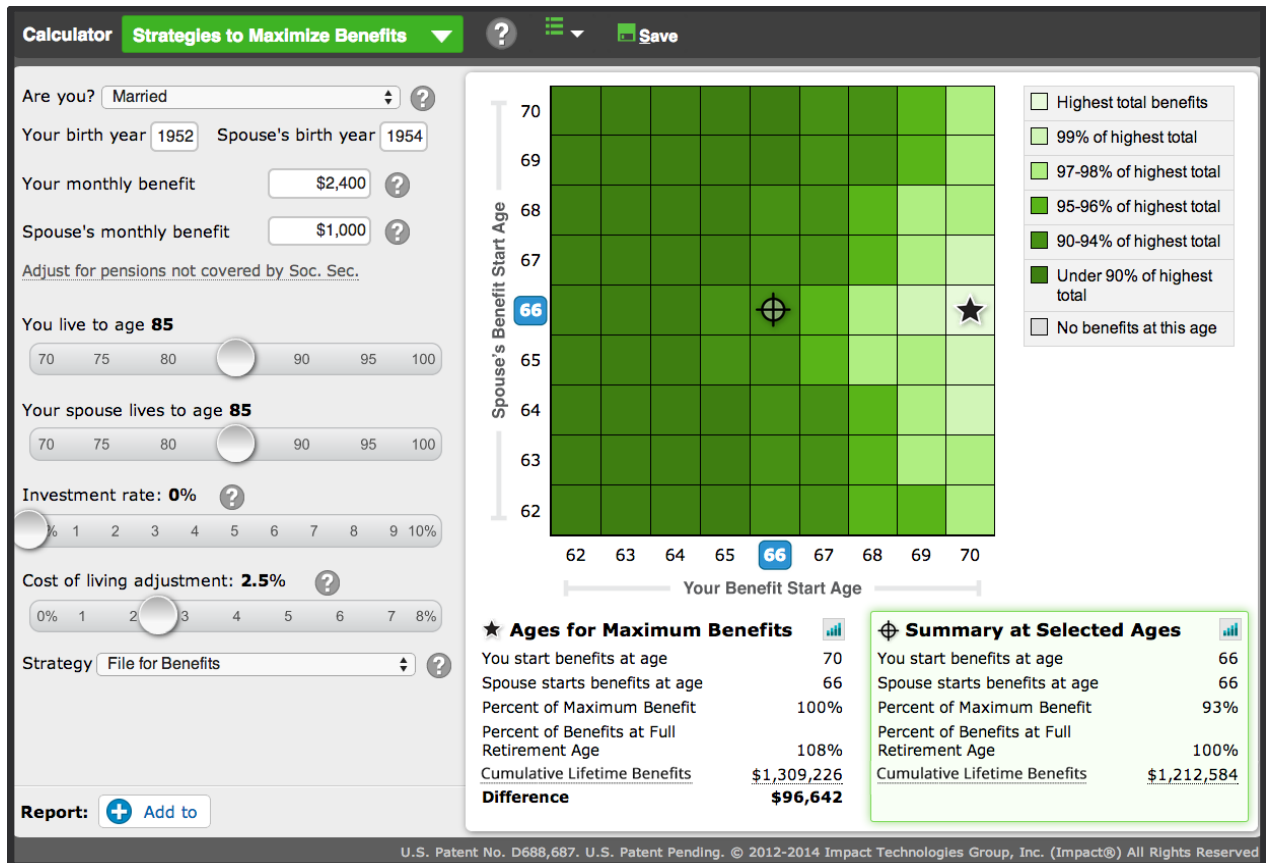


FIGURE 4: Client was born in 1952 and expecting \$2,400 monthly benefit at Full Retirement Age; the Spouse was born in 1954 and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%. Target is at full retirement ages of 66 and 66. The best with no special strategies is at age 70 and 68. The total benefits of the best verses the target is over \$110,000!

This graph shows the value for each starting age combination for the strategy selected. There are 9 possible results for a single person and 81 results for a married couple. The age combination with the highest future value is shown with a star. Click on any age combination on the graph, and the Summary at Selected Ages box shows the results for that targeted age combination. Your selection is marked with a “target symbol.” Each box is colored to show its value relative to the best value. The lighter the shade of green, the closer that age combination is to the best age combination. You don’t really have to look at the numbers, lighter is better!

Special Sales Tips:

After your client has decided on a strategy and age combination, view the “Strategies to Maximize Benefits” and show the desired strategy, and place the target on the desired age combination. Note the “Cumulative Lifetime Benefits” value in the summary of the selected ages box.

Now, using the Age at Death selector, show what the “Cumulative Lifetime Benefits” value would be if the spouse died at age 70 and everything else stayed the same.

The difference between the two is the value of the “lost” income stream due to the spouse’s early death.

Income streams that may be reduced or lost by death are ideal life insurance needs. Life insurance can replace the income stream at death!

Basic Benefit Calculation

Use this calculation if your client just wants to see the values for basic benefits, without any special filings. Basic Benefit Calculation shows the annual benefits for your client and spouse (if applicable), the total, and the cumulative total for each year.

Basic Benefits at Full Retirement Ages

This is an excellent way to see how the spousal benefit works, especially if one of your clients starts prior to full retirement age (FRA) and the benefits are subject to a reduction. Likewise, it shows just how much any delayed benefit credits are worth. It is especially nice to see the inflation effects year by year.

Ages	Your Benefit	Spouse's Benefit	Annual Total	Cumulative Total
62/60	0	0	0	0
63/61	0	0	0	0
64/62	0	0	0	0
65/63	0	0	0	0
66/64	31,790	0	31,790	31,790
67/65	32,585	0	32,585	64,375
68/66	33,399	16,700	50,099	114,474
69/67	34,234	17,117	51,351	165,825
70/68	35,090	17,545	52,635	218,460
71/69	35,967	17,984	53,951	272,411
72/70	36,866	18,433	55,299	327,710
73/71	37,788	18,894	56,682	384,392
74/72	38,733	19,366	58,099	442,491
75/73	39,701	19,851	59,552	502,043
76/74	40,694	20,347	61,041	563,084
77/75	41,711	20,855	62,566	625,650
78/76	42,754	21,377	64,131	689,781
79/77	43,823	21,911	65,734	755,515
80/78	44,918	22,459	67,377	822,892
81/79	46,041	23,021	69,062	891,954
82/80	47,192	23,596	70,788	962,742
83/81	48,372	24,186	72,558	1,035,300
84/82	49,581	24,791	74,372	1,109,672
85/83	0	50,821	50,821	1,160,493
86/84	0	52,091	52,091	1,212,584

FIGURE 5: Client was born in 1952 and expecting \$2,400 monthly benefit at full retirement age; the spouse was born in 1954 and expecting \$1,000 monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%.

NOTE: The effects of the survivor benefit can be seen after the client's death at age 85.

Comparison: Early Vs. Late

Single or married, it is nice to see the differences between early benefits at age 62, benefits at full benefit age (FRA), and delayed benefits at age 70. By comparing the cumulative totals, your client can see exactly where breakeven years fall when comparing start ages.

Your client can see the difference over his or her lifetime for the three start ages. These numbers can become quite large if your client lives longer than average life expectancy.

If your client plans to invest benefits, he or she will see that as the investment rate increases, the early benefits begin to catch-up with the late benefits due to the power of compound interest. It's just one more factor that must be taken into account as your client makes Social Security decisions.

Age	Annual Benefit Starting at 62	Annual Benefit Starting at 66	Annual Benefit Starting at 70	Cumulative Benefits Starting at 62	Cumulative Benefits Starting at 66	Cumulative Benefits Starting at 70
62	21,600	0	0	21,600	0	0
63	22,140	0	0	43,740	0	0
64	22,693	0	0	66,433	0	0
65	23,261	0	0	89,694	0	0
66	23,842	31,790	0	113,536	31,790	0
67	24,438	32,585	0	137,974	64,375	0
68	25,049	33,399	0	163,023	97,774	0
69	25,676	34,234	0	188,699	132,008	0
70	26,318	35,090	46,319	215,017	167,098	46,319
71	26,975	35,967	47,477	241,992	203,065	93,796
72	27,650	36,866	48,664	269,642	239,931	142,460
73	28,341	37,788	49,880	297,983	277,719	192,340
74	29,050	38,733	51,127	327,033	316,452	243,467
75	29,776	39,701	52,405	356,809	356,153	295,872
76	30,520	40,694	53,716	387,329	396,847	349,588
77	31,283	41,711	55,059	418,612	438,558	404,647
78	32,065	42,754	56,435	450,677	481,312	461,082
79	32,867	43,823	57,846	483,544	525,135	518,928
80	33,689	44,918	59,292	517,233	570,053	578,220
81	34,531	46,041	60,774	551,764	616,094	638,994
82	35,394	47,192	62,294	587,158	663,286	701,288
83	36,279	48,372	63,851	623,437	711,658	765,139
84	37,186	49,581	65,447	660,623	761,239	830,586

FIGURE 6: Client was born in 1952 and expecting \$2,400 monthly benefit at full retirement age; the spouse was born in 1954 and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%.

NOTE: If benefits had been invested instead of spent, the breakeven points would have been extended.

ADDITIONAL NOTE: If benefits had been invested instead of spent, the breakeven points would have been extended.

Taxation of Social Security Benefits

If your client has other income, a portion of the Social Security benefits may be subject to income taxes. Those with income above certain thresholds may pay federal income tax on 50%, or up to 85%, of their Social Security benefits.

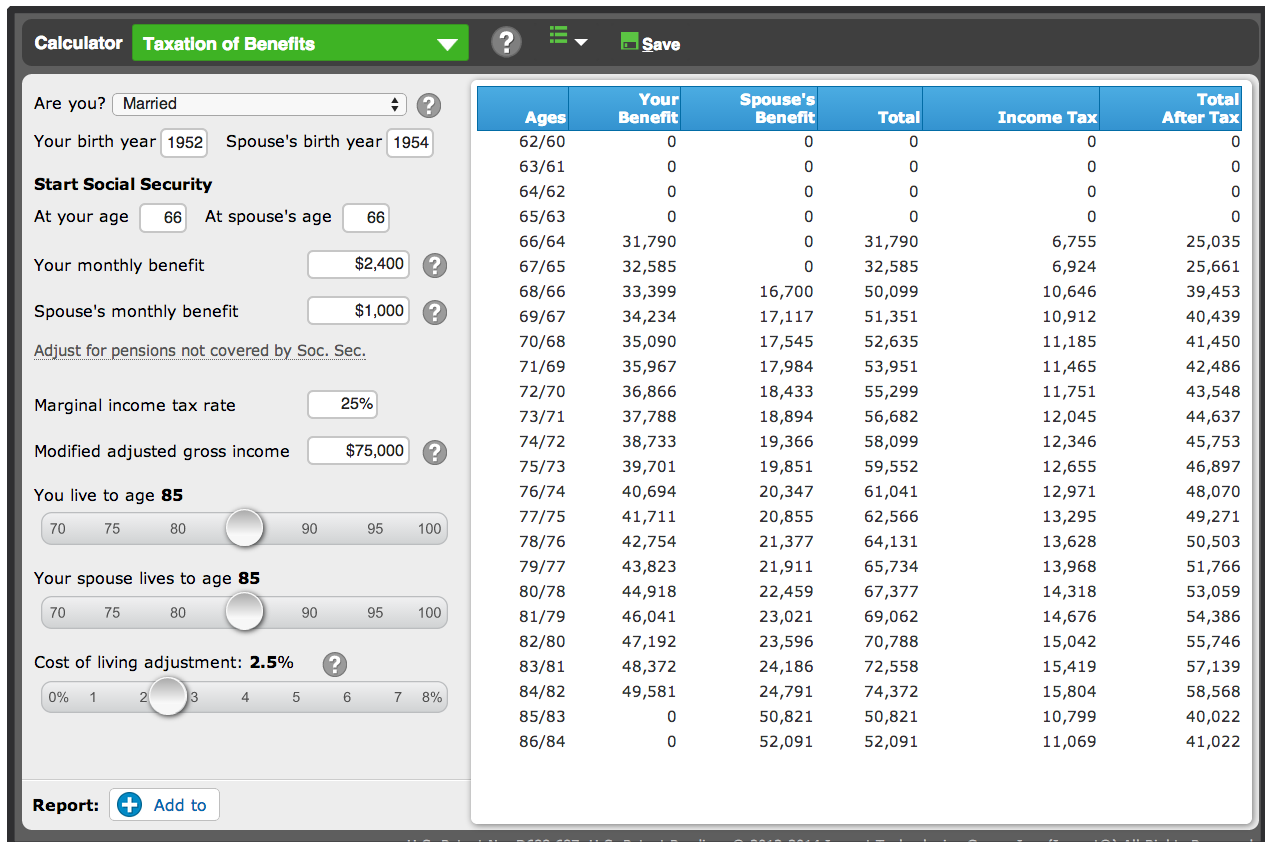


FIGURE 7: Client was born 1952 and expecting \$2,400 monthly benefit at full retirement age; the spouse was born in 1954 and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%. Couple is in a 25% marginal tax bracket and has \$75,000 of Modified Adjusted Gross Income. Benefits are taken at Full Retirement age with no special options

NOTE: At client's age 70, taxes are less than 20% of total Social Security.

This ledger shows the effects of the taxation. Two additional prompts are needed for this screen: estimated marginal income tax rate and modified adjusted gross income (MAGI). This type of income includes some items that normally are tax-exempt. Like all tax matters, your client should seek tax advice from a professional such as an accountant or attorney. The calculations within Social Security Explorer show the possible effects of taxation of Social Security benefits.

Optional Strategies

This screen is similar to the Basic Benefit screen, but you can select any of the seven strategies to be displayed.

You are able to select various start ages and strategies for this screen. Your client can see the numbers behind the calculations within the various strategies. This is also helpful in showing benefits expressed as annual numbers.

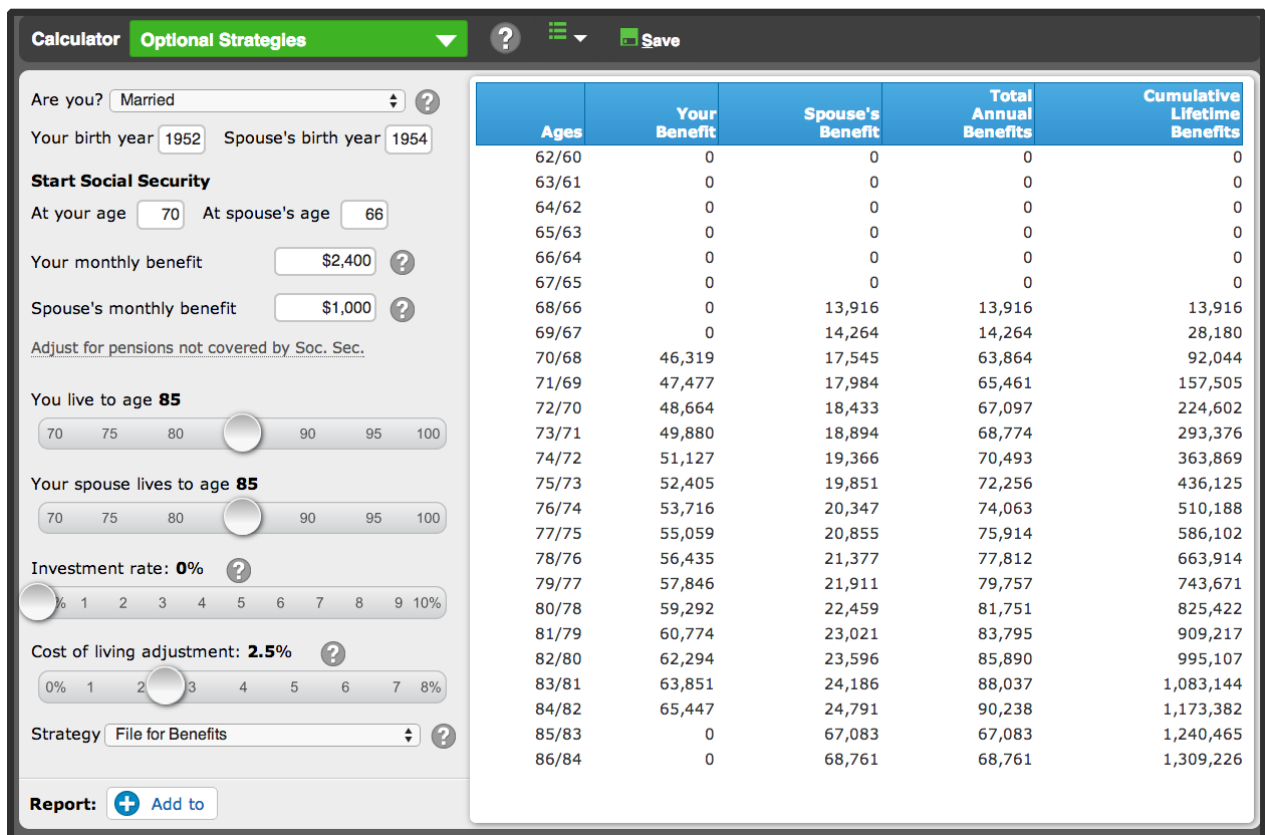


FIGURE 8: Client was born in 1952 and expecting \$2,400 monthly benefit at full retirement age; the spouse was born in 1954 -and expecting \$1,000 of monthly benefit. Each expects to live to age 85 with benefits used for retirement living expenses. Inflation averages 2.5%.

NOTE: Best Strategy (the one with the star) is illustrated. Client's benefits begin at 70; Spouse at 66.

Additional Terms and Helpful Information

WHERE TO GET MONTHLY BENEFIT AT FULL RETIREMENT AGE

Your client can get a Social Security Benefit Statement online. It provides estimates of the retirement and disability benefits, and estimates of benefits the family may get when your client receives Social Security or dies. <http://www.socialsecurity.gov/mystatement>

The Social Security Administration also mails an annual Social Security Statement to participants over the age of 60. The statement contains estimated survivor, disability, and retirement benefits. Your client may also obtain an estimate of benefits online at <http://www.socialsecurity.gov/estimator>.

FULL RETIREMENT AGE

Full Retirement Age (FRA) is based on the year of birth. For those born in 1943 or later, FRA is 66, gradually increasing in two month intervals to 67 for individuals born in 1960 and later. Further information is available here: <http://www.socialsecurity.gov/retire2/agereduction.htm>.

SPOUSAL BENEFITS

The spouse of a Social Security recipient is entitled to a benefit based on the earnings records of the working spouse, even if the spouse is not qualified for any Social Security on his or her own earnings record. This is called the Spousal Benefit. Basically, the benefit is 50% of the working spouse's benefit with each assumed to be full retirement age. Reductions are made if either begins benefits before full retirement age, but no adjustments are made for delayed benefit credits.

When both spouses are entitled to a benefit, the one with the lower benefit is given a spousal benefit sufficient to bring that benefit up to at least 50% of the higher spouse's benefit. Thus, a spouse will always receive the greater of what he or she is entitled to on his or her own earnings record or one-half of their spouse's benefit.

A spouse does not have to start their own benefits the same time he or she starts any spousal benefits. There are several strategies for taking benefits. See “Available Strategies” for how these options work.

SURVIVOR BENEFITS

If both spouses were receiving Social Security benefits, or would have been receiving them if not for death, the surviving spouse may receive a Survivor Benefit. The Survivor Benefit is the amount necessary to assure the surviving spouse receives at least the amount equal to that of the spouse with the higher benefit.

Surviving spouse may file for a benefit as early as age 60. Survivor Benefits involve some slightly different adjustments and some complex rules, but Social Security Explorer incorporates these adjustments.

SPOUSAL BENEFITS FOR DIVORCE

If an individual is unmarried, but divorced, he or she may be entitled to a spousal benefit based on the earnings records of the former spouse. They must have been married for at least ten years. If the former spouse is at least age 62 and has been divorced for at least two years, it does not matter if the former spouse has filed for Social Security.

Receiving a spousal benefit on a former spouse does not affect the former spouse’s benefits, the benefits of other former spouses, or the former spouse’s current spouse. If there are several former spouses with marriages of ten years or longer, the individual may pick the one that will provide the larger spousal benefit.

WHEN SHOULD I START SOCIAL SECURITY?

Basic benefits are defined at Full Retirement Age. One may start benefits as early as age 62, but there is a reduction in benefits for each year early that will be applied to all future Social Security benefits. A delayed credit of 8% is available for each year a person delays taking benefits after Full Retirement Age. Benefits do not increase after age 70, so benefits should always start by age 70.

Social Security uses the first of the month in which a birthday occurs so one should always apply for benefits in the prior month. Any benefits taken before full retirement age are reduced by one dollar for every two dollars earned; therefore, it is usually advisable to not start benefits if the person is still working and has not reached full retirement age.

HOW WILL MY CLIENT USE THE BENEFITS?

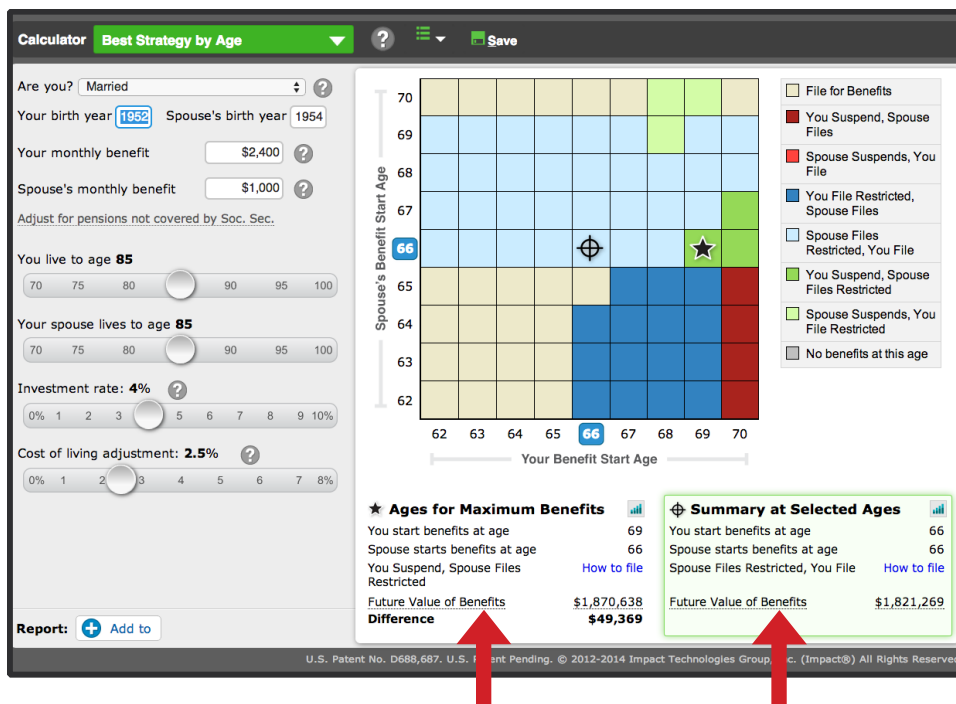
Surveys have shown that over one-third of Social Security recipients spend over 90% of the benefits received each month for essential living expenses. Others rely on retirement savings or other income for essential living expenses and use Social Security benefits for discretionary spending or savings.

If your client intends to save or invest Social Security benefits, an investment that has lower risk, and thus, lower yields may be the best choice. There is no guarantee that investments will earn any interest and may lose money.

INVESTMENT RATE/DISCOUNT RATE

If your clients will spend their Social Security benefits each month, then you should set the investment rate to 0%. If your client intends to save or invest the Social Security benefits, then set the investment rate to whatever they expect over the long-term. Usually a rate that reflects lower risk and thus lower yields may be the best choice. There is no guarantee that investments will earn any interest and may lose money.

When the investment rate is 0%, total of benefits are labeled, "Cumulative Lifetime Benefits." If the investment rate is greater than 0%, "Future Value of Benefits" including earnings is shown. As long as Investment rate (discount rate) is greater than 0%, user can toggle between "Future Value of Benefits" and "Present Value of Benefits" by clicking.



The state of benefit display at the time of viewing a report determines whether benefits are shown as "Cumulative Lifetime Benefits," "Future Value of Benefits," and "Present Value of Benefits."

STRATEGIES FOR MARRIED COUPLES

Because married couples may receive a spousal benefit in addition to the benefits they have earned, there are various strategies for claiming those benefits. In addition to filing for his or her own Social Security benefits at the desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include “File and Suspend,” and “File Restricted Application.”

Further information can be found at the Social Security website:

<http://www.socialsecurity.gov/retire2/yourspouse.htm>.

AVAILABLE STRATEGIES

Each individual can file for his or her benefits, and if any spousal benefits are due, the Social Security Administration will automatically include it. If the person is at least full retirement age, he or she may file but suspend their personal benefits which will allow the spouse to collect any spousal benefits due. He or she may file and restrict benefits to just spousal benefits. These last two options allow a person to delay benefits until later at which time they will be larger. Since each spouse has these options, a couple may choose seven different strategies:

File for Benefits: Both spouses file for Social Security benefits at the desired age. Benefits may be reduced if filed prior to Full Retirement Age (FRA) or increased if filing is delayed, up to age 70. The benefit is the greater of own benefit or one-half spouse’s benefit at Full Retirement Age.

You File and Suspend or Spouse Files and Suspends: Either spouse files for Social Security at FRA and immediately suspends payments. Once filed, the other spouse is eligible to receive benefits based on the suspended spouse’s record or own benefits, whichever is greater. At age 70, suspension ends and the first spouse begins collecting his or her own benefits, with increases for delaying past FRA. (The other spouse must file for benefits to receive the spousal benefit.)

You File Restricted or Spouse Files Restricted: At FRA, either spouse may file a restricted application that provides benefits based on the other spouse's retirement benefit. Later, up to age 70, the first spouse files to receive his or her own Social Security benefits, with increases for delaying benefits past FRA. The restricted application is only available if the other spouse has started collecting his or her benefits.

You Suspend, Spouse Files Restricted or Spouse Suspends, You File Restricted: This is a combination of File and Suspend and Restricted application. One spouse files and suspends, the other files a restricted application for spousal benefits only, then will take his or her own benefits at age 70. Using this strategy may produce larger total benefits over life expectancies, depending on the ages of the couple and the size of benefits at Full Retirement Age.

HOW TO FILE

Timing of the events are important and essential to making benefits work as the strategy selected. Filing at other times could prevent strategy from being effective.

WINDFALL ELIMINATION PROVISION (WEP)

Pensions, especially government pensions, provide proportionately more benefits for lower wages employees. Social Security also provides a larger percent of wages for the lower wage earner. (In 2014, the first \$816 of average monthly earnings gets 90% benefits while the balance receives either 32% or 15%.) Workers who earned a non-covered pension and then worked in a job that was covered by Social Security could effectively have more earnings covered by the higher benefit amounts. The WEP is an effort to minimize that effect.

WEP is based on a portion of the earnings amount subjected to the high benefit percentage and the number of years in which substantial wages were subjected to Social Security. In addition, the WEP adjustment cannot be more than half of the non-covered pension. In 2014, the maximum reduction due to WEP is \$408.00 and if substantial earnings subject to Social Security tax for 30 years or more, there is no adjustment.

Important Note

The Social Security Benefit statement you receive from Social Security Administration does not show any adjustments for WEP or GPO. The adjustment, if applicable, is a function of the same wage calculations used for primary benefits; Thus, based on the benefits entered for the recipient, Social Security Explorer can determine the maximum adjustment. The minimum remaining benefit is shown on the screen. A quick, very conservative estimate would be to use the minimum shown.

GOVERNMENT PENSION OFFSET (GPO)

Many of the jobs that provided non-covered pensions were government jobs. When Social Security was first provided, most households had one wage earner. A benefit was provided for the non-wage earner in the form of the spousal benefit. (Spousal benefits are based on someone else's earnings.) If a person is receiving a non-covered pension and is entitled to a spousal benefit, the spousal benefit is reduced by 2/3 of the non-covered pension.

EFFECTS OF WEP AND GPO

WEP reduces your own monthly benefit payable to you in retirement or disability and any payments made to your spouse and dependents. The reduction is permanent and is the equivalent of entering a smaller amount in "Your monthly benefit" on the Social Security Explorer main input screen.

GPO applies to benefits you may receive from your spouse's Social Security benefits, as either spousal or survivor benefits. The spousal or survivor monthly benefits are reduced by 2/3 of your monthly pension. This reduction is applied to the spousal benefit before any further reduction for taking benefits prior to Full Retirement Age.

WIDOWED AND DIVORCED

If the deceased or ex-spouse had a non-covered pension, enter the reduced monthly Social Security benefit on the main Social Security Explorer screen. Pension information is not needed for the former spouse.

SINGLE

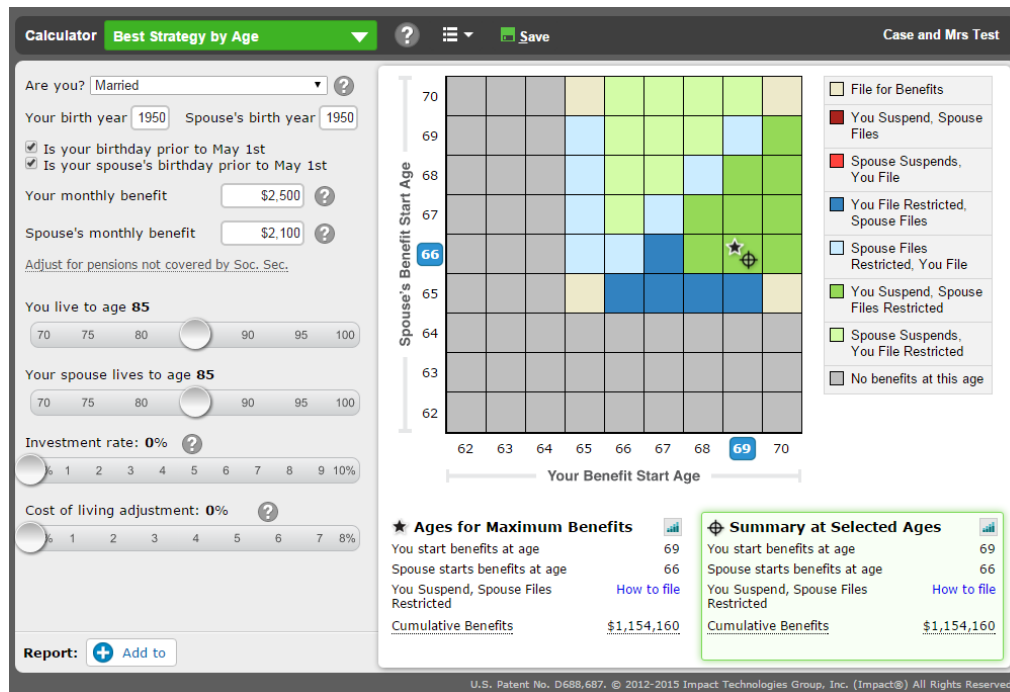
Since no benefits from a spouse exist, GPO does not apply. The WEP calculation is still applicable, and pension and adjusted benefit amounts should be entered on the WEP/GPO input screen.

Bipartisan Budget Act of 2015 Release

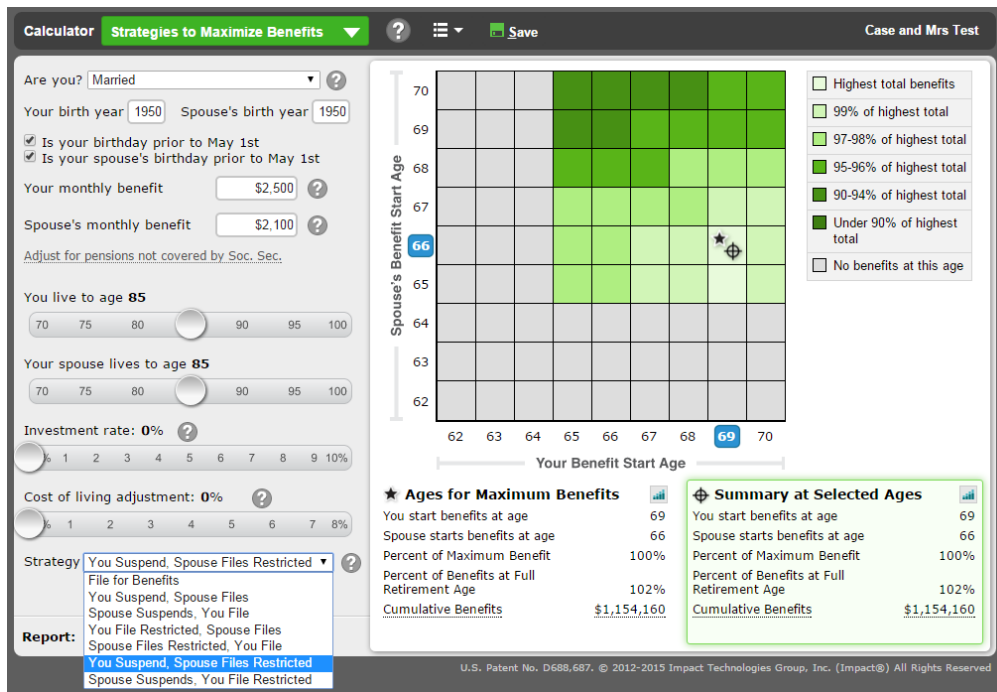
USER INTERFACE CHANGES

Check Boxes Added

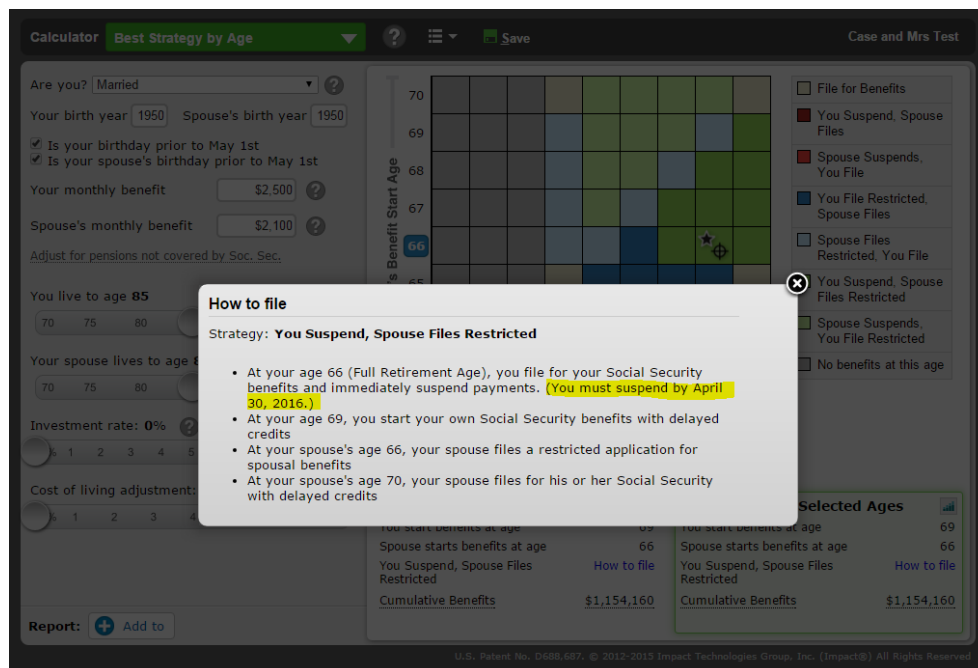
Check boxes added for Person A and B when birth year is 1950.



When checked, the Suspend strategy(s) is available.



For Suspend strategies, "How to File" text now reflects the date you must suspend by.



On-Screen Help

The on-screen help for Strategy has been updated. The screen shots below show the updated text for each section.

You Suspend, Spouse Files:

The screenshot shows a help window with a blue header and a white body. The header contains the title 'Your Strategy' and a brief description. The body contains a section titled 'Filing Strategies' with explanatory text and a link to the Social Security website. Below this are several blue buttons for different filing strategies, with the 'You Suspend, Spouse Files' button selected and highlighted. The text for this strategy is visible below the button.

Your Strategy
You file for Social Security between ages 62 and 70. Benefits start immediately after filing. Your spouse files for benefits between 62 and 70.

Filing Strategies
In addition to filing for your own Social Security benefits at your desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include 'File and Suspend' and 'Restricted Application.'
Further information can be found at the [Social Security website](#).

File for Benefits:

You Suspend, Spouse Files:
You file for Social Security at FRA and immediately suspend payments. Once you file, your spouse is eligible to receive benefits based on your record or your spouse's own benefits, whichever is greater. At age 70, you begin collecting your own benefits, with increases for delaying past FRA. If you suspend after April 2016, any benefits based on your earnings will also be suspended.

Spouse Suspends, You File:

You File Restricted, Spouse Files:

Spouse Files Restricted, You File:

You Suspend, Spouse Files Restricted:

Spouse Suspends, You File Restricted:

Spouse Suspends, You File:

Your Strategy

You file for Social Security between ages 62 and 70. Benefits start immediately after filing. Your spouse files for benefits between 62 and 70.

Filing Strategies

In addition to filing for your own Social Security benefits at your desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include 'File and Suspend' and 'Restricted Application.'

Further information can be found at the [Social Security website](#).

File for Benefits:

You Suspend, Spouse Files:

Spouse Suspends, You File:

Your spouse files for Social Security benefits at FRA and immediately suspends payments. At this time, if you have started your own benefits, you will receive the greater of your benefits or the spousal benefit based on your spouse's record. If your spouse suspends after April 2016, your spousal benefits based on your spouse's earnings will also be suspended.

You File Restricted, Spouse Files:

Spouse Files Restricted, You File:

You Suspend, Spouse Files Restricted:

Spouse Suspends, You File Restricted:

You File Restricted, Spouse Files:

Your Strategy

You file for Social Security between ages 62 and 70. Benefits start immediately after filing. Your spouse files for benefits between 62 and 70.

Filing Strategies

In addition to filing for your own Social Security benefits at your desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include 'File and Suspend' and 'Restricted Application.'

Further information can be found at the [Social Security website](#).

File for Benefits:

You Suspend, Spouse Files:

Spouse Suspends, You File:

You File Restricted, Spouse Files:

For individuals age 62 or older in 2015, once you have reached FRA, you file a restricted application which provides benefits based on your spouse's retirement benefit. Later, up to age 70, you file and receive your own Social Security benefits, with increases for delaying benefits past FRA. The restricted application is available only if your spouse has started collecting benefits.

Spouse Files Restricted, You File:

You Suspend, Spouse Files Restricted:

Spouse Suspends, You File Restricted:

Spouse Files Restricted, You File:

Your Strategy

You file for Social Security between ages 62 and 70. Benefits start immediately after filing. Your spouse files for benefits between 62 and 70.

Filing Strategies

In addition to filing for your own Social Security benefits at your desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include 'File and Suspend' and 'Restricted Application.'

Further information can be found at the [Social Security website](#).

File for Benefits:

You Suspend, Spouse Files:

Spouse Suspends, You File:

You File Restricted, Spouse Files:

Spouse Files Restricted, You File:

If your spouse was age 62 or older in 2015 and has reached FRA, your spouse files a restricted application which provides spousal benefits based on your retirement record. Later, up to age 70, your spouse files to receive Social Security benefits, with increases for delaying benefits past FRA. Your spouse's restricted application is available only if you have started collecting your benefits.

You Suspend, Spouse Files Restricted:

Spouse Suspends, You File Restricted:

You Suspend, Spouse Files Restricted:

Your Strategy
You file for Social Security between ages 62 and 70. Benefits start immediately after filing. Your spouse files for benefits between 62 and 70.

Filing Strategies
In addition to filing for your own Social Security benefits at your desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include 'File and Suspend' and 'Restricted Application.'

Further information can be found at the [Social Security website](#).

File for Benefits:

You Suspend, Spouse Files:

Spouse Suspends, You File:

You File Restricted, Spouse Files:

Spouse Files Restricted, You File:

You Suspend, Spouse Files Restricted:

If you were born before May 1950, you file and suspend your benefits by April 30, 2016. Your spouse, who was at least age 62 at the end of 2015, files a restricted application at FRA to receive only spousal benefits from your earnings record. At age 70, each of you will start collecting your own Social Security benefits, with increase for delaying benefits past FRA.

Spouse Suspends, You File Restricted:

Spouse Suspends, You File Restricted:

Your Strategy
You file for Social Security between ages 62 and 70. Benefits start immediately after filing. Your spouse files for benefits between 62 and 70.

Filing Strategies
In addition to filing for your own Social Security benefits at your desired retirement age, there are several strategies married couples can use separately and in combination to maximize the total benefits received over time or the annual benefits in a given year. The options include 'File and Suspend' and 'Restricted Application.'

Further information can be found at the [Social Security website](#).

File for Benefits:

You Suspend, Spouse Files:

Spouse Suspends, You File:

You File Restricted, Spouse Files:

Spouse Files Restricted, You File:

You Suspend, Spouse Files Restricted:

Spouse Suspends, You File Restricted:

If your spouse were born before May 1950, your spouse files and suspends benefits by April 30, 2016. If you were at least age 62 at the end of 2015, you file a restricted application at FRA to receive only spousal benefits from your spouse's earnings record. At age 70, each of you will start collecting your own Social Security benefits, with increase for delaying benefits past FRA.

OUTPUT CHANGES

Output Cover Page Disclaimer

Disclaimer

This tool demonstrates options for receiving your Social Security benefits. The results shown are hypothetical based on the information you provided and are not a guarantee of future benefit values or investment results. Contact your financial professional or the Social Security Administration for more information.

Social Security Explorer helps you become better informed prior to filing for your Social Security retirement benefits. It is not intended to provide an exact analysis, but it will help you determine the strategy and age you want to start your benefits. You will be able to explore different starting age combinations as well as different strategies that may be available. There are over 2,000 rules that may be applied. Although you may file for your retirement benefits on-line, some of the strategies illustrated in this report may require you to file in person. **This report reflects the provisions and restrictions included in the Bipartisan Budget Act of 2015.**

Social Security Explorer assumes that you stop work when you start your benefits. In some cases, your benefits will be reduced if you continue to work; however, any amounts withheld are repaid after you reach full retirement age. The cumulative benefits will be unchanged.

Your Social Security Administration office is an excellent source of any specific questions about your benefits. Their website can be extremely helpful. Social Security Explorer helps you frame your thoughts before filing. It shows strategies and age combinations that you might not have considered. It eliminates guessing or rules-of-thumb by calculating all possible combinations and illustrating the largest benefit.

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Definitions and Important Information

Definitions and Important Information

Marital Status

Married: Currently married under federal definition of marriage. Applicable spousal benefits and survivor benefits are included.

Widowed: For a Social Security survivor's benefit, a widow(er) must have been validly married to the deceased worker at the time of his or her death. They must have also been married for not less than 9 months immediately prior to the day in which the worker died, unless one of the exceptions is met. Some of the exceptions include the worker's death was accidental or the worker's death occurred in the line of duty as a member of a uniformed service serving on active duty.

Divorced: If you are divorced, but your marriage lasted 10 years or longer, you can receive benefits on your ex-spouse's record (even if he or she has remarried) if you are unmarried, are age 62 or older, your ex-spouse is entitled to Social Security retirement benefits, and the benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.

Single: Currently not married under federal definition of marriage (or were married for less than 10 years before divorce). Benefits will be based on your earnings record only.

Monthly benefit at Full Retirement Age from your Social Security Statement

The monthly benefit amount on your Social Security statement is shown in today's dollars. This amount is subject to an annual cost-of-living adjustment in the future.

Investment Rate/Discount Rate

The Investment Rate/Discount Rate should be 0% if Social Security benefits will be used for income needs, as there will be no funds to invest. If you wish to take the time value of money into consideration, select an Investment Rate/Discount Rate greater than 0%.

When an investment rate is not used, "Cumulative Lifetime Benefits" are shown; when an investment rate is shown, "Future Value of Benefits" reflects the growth of benefits received at the Investment Rate you select.

Please note that in order to provide a recommendation about the investment rate of a securities product, the financial professional must hold the proper securities registration and be currently affiliated with a broker/dealer or registered as an investment advisor.

Cost of Living Adjustment

Each year, the Social Security Administration determines if a COLA is made, and if so, by how much. In 2016 the COLA adjustment is 0.0%. In 2015 the COLA adjustment is 1.7%. For 2014, the COLA was 1.5%. In 2013 the COLA adjustment was 1.7%. (Source: Social Security Administration). Using 0% will show basic benefits without any adjustments for the Cost of Living. More information can be found at www.socialsecurity.gov/cola.

Modified Adjusted Gross Income

Modified adjusted gross income (MAGI) is generally defined as all of your taxable income, plus certain net foreign income, minus allowed deductions. MAGI may include income such as taxable pensions, wages, interest, dividends, and other taxable income plus tax-exempt interest income (such as interest on municipal bonds) and any exclusion from income, such as interest from US savings bonds. Contact your personal tax or legal advisor with questions regarding your specific situation.

Available Analyses

- **Best Strategy by Age** shows the strategy with the highest cumulative lifetime benefits (CLB), with an option to show the future value of CLB at a selected hypothetical investment rate or the present value of CLB at a selected hypothetical discount rate.
- **Strategies to Maximize Benefits** illustrates all possible calculations and age combinations for 1 of 7 strategies that can be selected.
- **Basic Benefit Calculation** illustrates basic benefits, without any special filing strategies: annual benefits for you and your spouse (if married), and the cumulative benefits.
- **Comparison: Early vs. Late** includes side-by-side comparison of benefits based on filing at age 62, Full Retirement Age (which varies based on year of birth), and at age 70.
- **Taxation of Social Security Benefits** calculates what portion, if any, of your Social Security retirement benefits may be subject to federal income taxes. If income is above certain tax code thresholds, 50% to 85% of your Social Security benefits could be subject to federal income taxes (and possibly state income taxes).
- **Optional Strategies** demonstrates a selected strategy for given starting age(s), lives to age(s), optional investment rate and cost of living assumptions.

Social Security Explorer and any related support materials are designed to provide general information on the subjects covered. Rules and restrictions added by the Bipartisan Budget Act of 2015 have been applied to the best extent possible, but because some restrictions require exact date of birth, you should confirm actions with Social Security Administration before implementing. Pursuant to IRS Circular 230, it is not however, intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market, or recommend any tax plan or arrangement. You are encouraged to consult your tax advisor or attorney.

The results represented in this tool are provided by Impact Technologies Group, Inc., and are deemed reliable but are not guaranteed. Impact Technologies Group, Inc. shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to be caused, directly or indirectly, by information contained in this report. Always consult with your tax advisor concerning your own situation.

Best Strategy by Age – Optimal Ages Graph Pages

For Suspend strategies, text now reflects the date you must suspend by.

