



Case Study: Typical Pre-Retirement Clients

Tim and Tina Smith

Household Information

- Household information entered on one screen.
- Date of birth used so that the benefits may be calculated based on calendar year.
- Re-ordering inputs allow for “smarter” defaults for other prompts.

The screenshot shows the 'Household Information' form in the Social Security Pro application. The form is titled 'Household Information' and has tabs for 'Married', 'Single', 'Divorced', and 'Widowed'. It is divided into two sections: 'Person A' and 'Person B'. For Person A (Tim Smith), the 'Name' field is highlighted with a red circle and the number '1'. The 'Birth Date' is 01/02/1960, and the gender is 'Male'. For Person B (Tina Smith), the 'Name' is Tina Smith, the 'Birth Date' is 01/12/1957, and the gender is 'Female'. There are checkboxes for 'Does Tim have a pension based on earnings not covered by Social Security?' (No), 'Does Tina have a pension based on earnings not covered by Social Security?' (No), and 'Is Tina currently receiving Social Security Benefits?' (No). At the bottom, there is a question: 'If Tina chooses to start Social Security benefits at age 66, should we start the benefits on Tina's birthday or Full Retirement Age of 66 plus 6 months?' with options 'Birthday' and 'Full Retirement Age' (selected). The 'Next' button at the bottom right is highlighted with a red circle and the number '2'. The footer contains the text 'U.S. Patent No. D688,687, © 2012-2019 Impact Technologies Group, Inc. (Impact®) All Rights Reserved' and navigation buttons for 'Previous' and 'Next'.

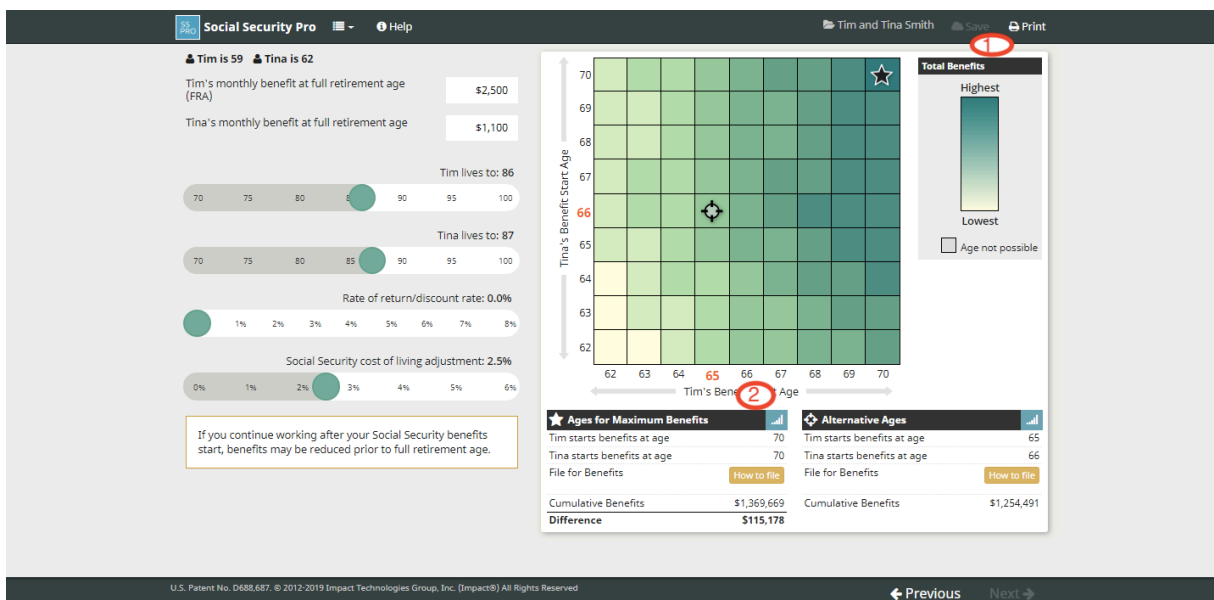
Major Differences from SSE

1. Full name and date of birth requested. Cases can be saved and calendar year benefits can be calculated.
2. “Next” and “Previous” allow you to navigate between screens.



Typical Pre-Retirement Clients: Tim and Tina Smith

- Clients' first name and age added for easy reference.
- "Star" is on the maximum or "best" age and strategy combination.
- "Target" always starts at the "earliest" start ages possible.
- Only the best strategy for each starting combination is shown.
- If investment rate is not 0%, then that rate is used for Future Value of Benefits and Present Value of Benefits.



Major Differences from SSE

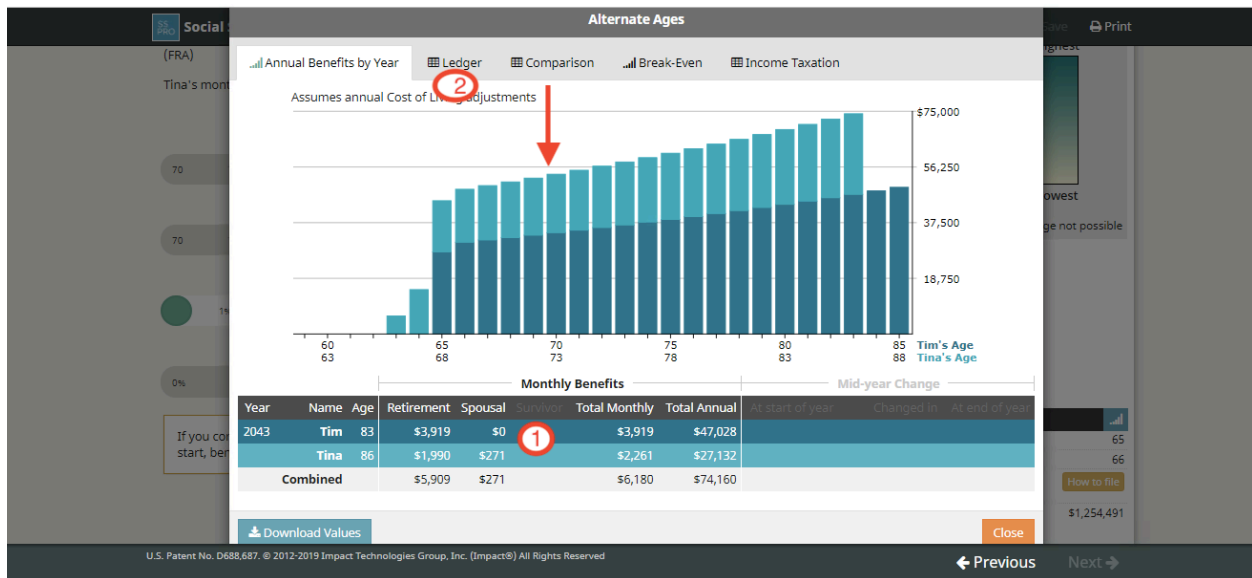
1. Case name used for saving is shown at top. Save command and Print command are also at top.
2. Click for Additional Details—Graph plus table for each bar added. Ledger, Comparison, and Taxation available within graph and not a separate calculator.

Attention! Some cases with almost identical input will have slightly different values when SSE and SPro are compared!

The difference between using the calendar year (Similar to Social Security Administration) and plan year, will be seldom noticed.

Annual Benefits by Year

- Graph of yearly benefits that appears in additional details graph. If you click on a bar (illustrated by the red arrow), the table below the graph will show the monthly values.
- If values change during a year, details are shown on the right side of the table under “Mid-year Change”.



Major Differences from SSE

1. Graph plus table for each bar added.
2. Ledger, Comparison, and Taxation available as tabs within the graph—and not in a separate calculator.

Ledger

Clicking the Ledger tab at the top of the graph, the ledger values for the graph are displayed.

Ages for Maximum Benefits						
Annual Benefits by Year						
Ledger						
Comparison						
Break-Even						
Income Taxation						
File for Benefits						
Year	Ages	Tim's Benefit	Tina's Benefit	Annual Total	Cumulative Lifetime Benefits	
2019	59/62	0	0	0	0	0
2020	60/63	0	0	0	0	0
2021	61/64	0	0	0	0	0
2022	62/65	0	0	0	0	0
2023	63/66	0	0	0	0	0
2024	64/67	0	0	0	0	0
2025	65/68	0	0	0	0	0
2026	66/69	0	0	0	0	0
2027	67/70	0	18,876	18,876	18,876	18,876
2028	68/71	0	21,096	21,096	21,096	39,972
2029	69/72	0	21,624	21,624	21,624	61,596
2030	70/73	44,737	22,164	66,901	66,901	128,497
2031	71/74	50,028	22,728	72,756	72,756	201,253
2032	72/75	51,276	23,292	74,568	74,568	275,821
2033	73/76	52,560	23,868	76,428	76,428	352,249

[Download Values](#) [Close](#)

Comparison

Clicking the Comparison tab at the top of the graph, the ledger values for the starting ages shown by the strategies selected are displayed.

Year	Ages	Annual Benefit			Cumulative Lifetime Benefits		
		Maximum	Alternative	Earliest Ages	Maximum	Alternative	Earliest Ages
2019	59/62	0	0	7,218	0	0	7,218
2020	60/63	0	0	9,864	0	0	17,082
2021	61/64	0	0	10,116	0	0	27,198
2022	62/65	0	0	32,654	0	0	59,852
2023	63/66	0	6,070	35,544	0	6,070	95,396
2024	64/67	0	14,940	36,432	0	21,010	131,828
2025	65/68	0	44,869	37,332	0	65,879	169,160
2026	66/69	0	48,732	38,268	0	114,611	207,428
2027	67/70	18,876	49,956	39,228	18,876	164,567	246,656
2028	68/71	21,096	51,204	40,224	39,972	215,771	286,880
2029	69/72	21,624	52,488	41,220	61,596	268,259	328,100
2030	70/73	66,901	53,796	42,252	128,497	322,055	370,352
2031	71/74	72,756	55,140	43,308	201,253	377,195	413,660
2032	72/75	74,568	56,520	44,388	275,821	433,715	458,048
2033	73/76	76,428	57,924	45,504	352,249	491,639	503,552
2034	74/77	78,348	59,376	46,644	430,597	551,015	550,196

Major Difference from SSE

- Comparisons use the total benefits each year for the strategy/start age combination shown

Income Taxation

- Clicking the Income Taxation tab at the top of the graph, the ledger values for the starting ages shown by the strategy selected.
- Enter MAGI (Modified Adjusted Gross Income) to be used for estimating the taxes that maybe due on these death benefits.
- Just the estimated taxes on the Social Security Income are shown.

Ages for Maximum Benefits

Effective income tax rate: Modified Adjusted Gross Income:

Actual income taxation of Social Security benefits will depend on the facts and circumstances at the time the benefits are received.

Year	Ages	Tim's Benefit	Tina's Benefit	Total	Income Tax	Total After Tax
2019	59/62	0	0	0	0	0
2020	60/63	0	0	0	0	0
2021	61/64	0	0	0	0	0
2022	62/65	0	0	0	0	0
2023	63/66	0	0	0	0	0
2024	64/67	0	0	0	0	0
2025	65/68	0	0	0	0	0
2026	66/69	0	0	0	0	0
2027	67/70	0	18,876	18,876	0	18,876
2028	68/71	0	21,096	21,096	0	21,096
2029	69/72	0	21,624	21,624	0	21,624
2030	70/73	44,737	22,164	66,901	181	66,720
2031	71/74	50,028	22,728	72,756	547	72,209
2032	72/75	51,276	23,292	74,568	661	73,907
2033	73/76	52,560	23,868	76,428	777	75,651

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Action Plan

The detailed “How to File” action plan includes:

- Dates
- What needs to be done
- Why it needs to be done.

How to File - Ages for Maximum Benefits			
WHEN	WHO	ACTION	NOTES
October 2026	Tina	File for benefits	Apply 3 months prior to date benefits would start. Application may be made any time during this month.
October 2029	Tim	File for benefits	Apply 3 months prior to date benefits would start. Application may be made any time during this month. Tina may apply for spousal benefits since Tim has filed for benefits.
At death of a spouse		When a spouse dies, the surviving spouse should notify the Social Security Administration of spouse's death.	Social Security provides a one-time payment of \$255 plus potential monthly survivors' benefits.

[Close](#)

Major Difference from SSE

- How to file gives dates, action, and notes for the reason.

Print Selections

- You create a personalized presentation for your clients.
- Maximum start ages and strategy always included.
- If “target” is on different start ages, it is shown as an alternate strategy.
- You may always include the earliest start ages combination (SSA says that half of all Social Security beneficiaries choose earliest.)
- You may always include the latest start ages
- Of the strategies selected, you pick the one that is shown first.
- Action Plan (always recommended), Comparison of strategies selected to illustrate, and taxation of benefits are optional, supplemental pages to select.
- Cover page, disclaimer and definitions always print.
- You enter any required text from your broker/dealer once, and it becomes part of your disclaimer on all presentations.

The screenshot shows a 'Print Selections' window with the following sections:

- Included in Report:**
 - ★ Start Ages for Maximum Benefits: (70/66)
 - ✦ Alternative Start Ages: (65/65)
- Also Include:**
 - Earliest (62/62)
 - Latest (70/70)
- Choose Start Ages for "Selected Strategy":**
 - Ages for Maximum Benefits (dropdown menu)
- Supplemental Pages:**
 - Action Plan
 - Definitions
 - Taxation of Benefits
 - Comparison of Strategies
 - Break-Even
- Print on Behalf of Another Advisor

At the bottom, there are buttons for 'Download Monthly Values', 'Cancel', and 'Print'. A progress bar is visible at the very bottom of the window.

Major Difference from SSE

Print options help you create a professional, personalized presentation for your clients. Tells the story instead of just showing screens reviewed.

Sample of Selected Pages from the Personalized Presentation

Planning for Social Security Retirement Benefits

For some people, choosing the right time to file for Social Security retirement benefits appears to be straightforward. Some choose to take benefits at age 62, as soon as they become available. Some choose to take benefits at the same time they stop working. While others delay claiming benefits just to get a higher benefit payment. Unfortunately, it might not be that simple. Indeed, for many, the decision is more complicated.

Most people should ask, and get answers to, the following questions:

- At what age should I file for benefits?
 - At what age should my spouse file for benefits?
 - When does it make sense to claim a spousal benefit?
 - How do I make sure my spouse gets the largest survivor benefit?
 - How do we know which of the common filing methods might be right for us?
 - If one of us lives a long life, how does that affect our decision?
- Clearly there can be a lot involved.

This report illustrates one or more Social Security retirement income planning strategies (start ages and filing method) that may help you reach your retirement income goals. Your Social Security benefits are shown before taxes in future dollars, assuming annual cost of living adjustments from today. The report is based on the information you provided below.

	TIM	TINA
Date of Birth	1/2/1960	1/12/1957
Full Retirement Age (FRA)	67	66 and 6 months
Monthly benefit at FRA	\$2,500	\$1,100
If benefits start at 66		FRA
Assume live to	86	87
Rate of return for future value of benefits		1.5%
Social Security cost of living adjustment		2.5%
Effective income tax rate		25%

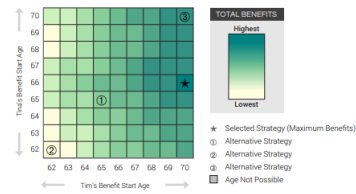
* Selected Strategy (Maximum Benefits)

Annual Social Security Benefits

Assumes 2.5% Cost of Living Adjustment

Year	TIM				TINA			TOTAL	
	Age	Retirement	Spousal	Survivor	Age	Retirement	Spousal	Annual Total	Future Value
2019	59	0	0	0	62	0	0	0	0
2020	60	0	0	0	63	0	0	0	0
2021	61	0	0	0	64	0	0	0	0
2022	62	0	0	0	65	0	0	0	0
2023	63	0	0	0	66	6,070	0	6,070	6,070
2024	64	0	0	0	67	14,940	0	14,940	21,101
2025	65	0	0	0	68	15,312	0	15,312	36,763
2026	66	0	0	0	69	15,696	0	15,696	52,977
2027	67	0	0	0	70	16,080	0	16,080	69,851
2028	68	0	0	0	71	16,468	0	16,468	87,387
2029	69	0	0	0	72	16,896	0	16,896	105,594
2030	70	44,737	0	0	73	17,316	2,167	64,220	171,998
2031	71	50,028	0	0	74	17,748	2,424	70,200	244,169
2032	72	51,276	0	0	75	18,192	2,484	71,952	319,763
2033	73	52,560	0	0	76	18,648	2,544	73,752	398,332
2034	74	53,880	0	0	77	19,116	2,604	75,600	479,907
2035	75	55,224	0	0	78	19,596	2,676	77,496	564,601
2036	76	56,604	0	0	79	20,088	2,736	79,428	652,498
2037	77	58,020	0	0	80	20,592	2,808	81,420	743,706
2038	78	59,472	0	0	81	21,108	2,880	83,448	838,310
2039	79	60,960	0	0	82	21,624	2,952	85,536	936,420
2040	80	62,484	0	0	83	22,176	3,024	87,672	1,038,138
2041	81	64,044	0	0	84	22,728	3,096	89,864	1,143,579
2042	82	65,640	0	0	85	23,292	3,180	92,112	1,252,844
2043	83	67,284	0	0	86	23,880	3,252	94,416	1,366,053
2044	84	68,964	0	0				68,964	1,455,508
2045	85	70,692	0	0				70,692	1,548,032

Social Security Strategy



What Does This Mean?

The above grid represents the filing age combinations for starting Social Security benefits. Total benefits are calculated for each available age combination. The darker the square, the higher the total value for a given age combination. The star represents the age combination with the highest overall total. If more than one combination results in the same total, the earliest possible age combination is shown. The check shows an alternative start age combination.

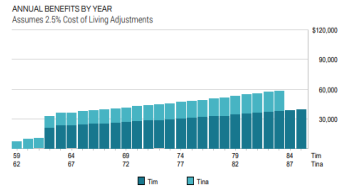
The strategy selected and emphasized in this report starts benefits for Tim at age 70 and Tina at age 66 (the start ages that will provide maximum benefits over the projected lifetimes). The difference shown below is how much less benefit would be received if an alternative start age combination is selected.

SELECTED START AGES	FUTURE VALUE*
* Tim at 70, Tina at 66	\$1,548,032

ALTERNATIVE START AGES	FUTURE VALUE*	DIFFERENCE FROM SELECTED
① Tim at 65, Tina at 65	\$1,435,870	\$112,162 less
② Tim at 62, Tina at 62	\$1,309,212	\$238,820 less
③ Tim at 70, Tina at 70	\$1,540,021	\$8,011 less

② Alternative Strategy

	TIM	TINA	FUTURE VALUE OF BENEFITS
Current Age	59	62	
Monthly benefit at FRA	\$2,500	\$1,100	\$1,309,212
Assume live to	86	87	
Start benefits at age	62	62	File for Benefits



DATE	AGE CHANGE FOR	NEW MONTHLY BENEFITS			REASON
		TIM	TINA	TOTAL	
Mar 2019	Tina	\$0	\$802	\$802	Start own retirement benefits
Feb 2022	Tim	\$1,885	\$1,005	\$2,890	Start own retirement benefits
Feb 2022	Tina	\$1,885	\$1,005	\$2,890	Spousal benefits start

* Selected Strategy (Maximum Benefits)

Action Plan

For Tim starting benefits at age 70 and Tina starting benefits at age 66

✓	WHEN	WHO	ACTION	NOTES
<input type="checkbox"/>	April 2023	Tina	File for benefits.	Apply 3 months prior to date benefits would start. Application may be made any time during this month.
<input type="checkbox"/>	October 2029	Tim	File for benefits.	Apply 3 months prior to date benefits would start. Application may be made any time during this month. Tina may apply for spousal benefits since Tim has filed for benefits.
<input type="checkbox"/>	At death of a spouse		When a spouse dies, the surviving spouse should notify the Social Security Administration of spouse's death.	Social Security provides a one-time payment of \$255 plus potential monthly survivors' benefits.

This schedule was prepared on April 9, 2019.

All items should be reviewed regularly and adjusted for any changes in Social Security rules, tax laws, or major life events of either Tim or Tina. A review with your financial advisors annually is recommended.