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Social Security:
Unlock Its
Potential





Mr. Ernest Ackerman

First recipient of Social Security retirement benefits

Received \$0.17



Miss Ida May Fuller

Contributed \$24.75 to Social Security

Received \$22,888.92

Source: *Historical Background And Development Of Social Security*, www.ssa.gov/history

The Three-Legged Stool of Retirement



Social
Security

Pensions

Savings &
Investments

¹2025 Social Security Changes - COLA Fact Sheet, 12/24
Reflects average monthly payment at full retirement age.

2025 ESTIMATED AVERAGE MONTHLY SOCIAL SECURITY PAYMENTS¹

Retired worker: **\$1,976**

Retired couple: **\$3,089**

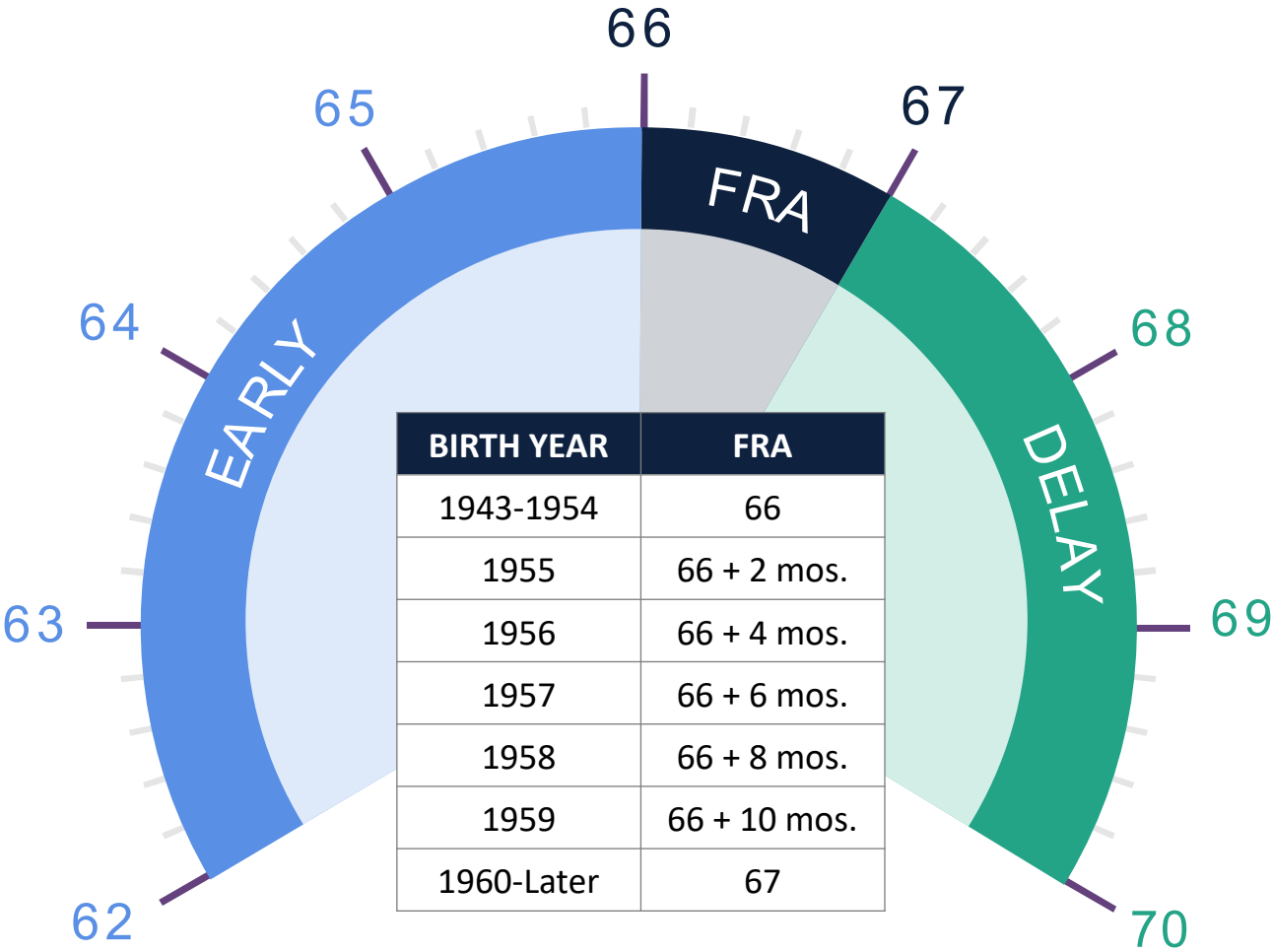
- Timing
- Work
- Taxes
- Awareness



Timing



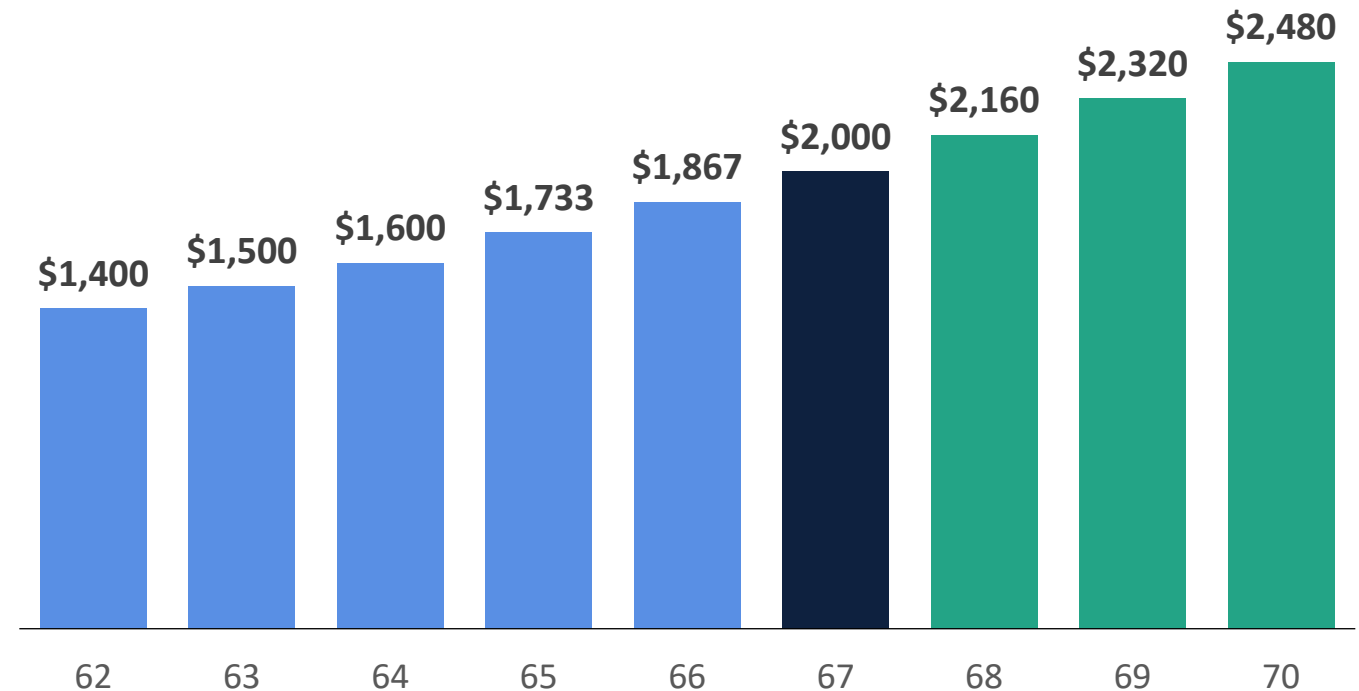
What's Your Full Retirement Age (FRA)?



Source: Retirement Planner:
Benefits By Year Of Birth, ssa.gov, 2024

Early vs. Delayed Filing: How It Affects Your Social Security Benefit

Assumes a Benefit of \$2,000 at a Full Retirement Age (FRA) of 67¹



¹When to Start Receiving Retirement Benefits, ssa.gov/pubs/EN-05-10147.pdf, 2024

What vs. When

How much income will you actually need?



This chart is hypothetical and for illustrative purposes only.

Work

How Will Working Impact My Benefit?¹

Before FRA BENEFIT REDUCED **\$1** FOR EVERY **\$2** ABOVE **\$23,400** IN EARNED INCOME

At FRA BENEFIT REDUCED **\$1** FOR EVERY **\$3** ABOVE **\$62,160** IN EARNED INCOME

After FRA

- NO LIMIT ON EARNINGS
- WITHHELD EARNINGS ARE RETURNED

¹2025 Social Security Changes - COLA Fact Sheet, 12/24



How Will Working Impact My Benefit?

Work Earnings		Annual Limit		Over Limit By
\$46,000	−	\$23,400	=	\$22,600

Social Security Benefits		½ of Amount Over Limit		Amount of Benefit You'll Receive
\$18,000 (\$1,500 monthly)	−	\$11,300	=	\$6,700 (\$558 monthly)

For illustrative purposes only. Your situation may be different.
Source: [2025 Social Security Changes - COLA Fact Sheet](#), 12/24

Taxes



How Will My Social Security Benefits Be Taxed?

Benefits may be taxable based on combined income

Modified Adjusted Gross Income*



½ Social Security Benefits



Combined Income

*Modified Adjusted Gross Income is also referred to as MAGI.

How Will My Social Security Benefits Be Taxed?¹

If Combined Income is...	Less than or equal to \$25,000 if you file as an individual (\$32,000 if married, filing jointly)	\$25,001 - \$34,000 (\$32,001 - \$44,000 if married, filing jointly)	\$34,001+ (\$44,001 if married, filing jointly)
% of Social Security that's taxable	Up to 0%	Up to 50%	Up to 85%

¹Benefits Planner: Income Taxes And Your Social Security Benefits, ssa.gov, 12/24

Possible Ways to Reduce Combined Income

Modified Adjusted Gross Income*



½ Social Security Benefits



Combined Income

TAX-FREE
RETIREMENT
INCOME

Roth IRAs &
Roth 401(k)s

*Modified Adjusted Gross Income is also referred to as MAGI.

Awareness



What Am I Entitled To?

The greater of:

- Your individual benefit
- Your spousal benefit
- If your spouse dies, the survivor benefit



Spousal Benefits: Eligibility & Calculation

Married Individuals Can Claim Benefits Based On:

- Their own earnings record
- Their spouse's earnings record

If Claiming On A Spouse's Earnings Record:

- The maximum spousal benefit is 50% of the higher-earning spouse's Social Security benefit
- The spousal benefit cannot be claimed until the higher-earning spouse files for benefits
- Spousal benefits will be reduced if the lower-earning spouse files before their own FRA*

*Lower-earning spouse must be at least age 62 to claim spousal benefits.

Source: Benefits For Your Family/Benefits For Your Spouse, ssa.gov/benefits/retirement/planner/applying7.html, 1/24

Individual Benefit vs. Spousal Benefit

Benefits at FRA:

John: \$2,945



Angela: \$947



Angela is entitled to the greater of:

Up to 50% of John's benefit

\$1,472

Her own benefit

\$947

Source: Benefits For Your Family/Benefits For Your Spouse, ssa.gov/benefits/retirement/planner/applying7.html, 1/24

Survivor Benefit

Benefit five years later:

John: \$3,600

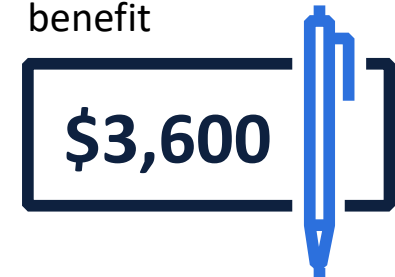


Angela: \$1,157



If John passes away five years later, Angela is entitled to the survivor benefit:

100% of John's benefit



Note: The benefits amounts shown on this slide are higher than those on the previous slide. This is because they each assume a COLA increases based on historical values.

Source: Benefits For Your Family/Benefits For Your Spouse, ssa.gov/benefits/retirement/planner/applying7.html, 1/24

Questions to ask *before* taking benefits:



When do I plan to stop working?



Do I need this extra income?



Will I have to pay taxes on my income?



How long will I live?



To make the most of your
Social Security benefits,
consider all the factors.



Summary

- Timing
- Work
- Taxes
- Awareness

Next Steps

1 Download your Social Security statement by logging into ssa.gov/myaccount.

2 Estimate what your monthly income needs will be in retirement.

3 Meet with your financial professional & tax professional to evaluate your overall portfolio and create an income plan.

DISCLOSURES

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