



POTOMAC  
FINANCIAL  
PRIVATE CLIENT GROUP, LLC

11130 Sunrise Valley Drive, Suite 130, Reston, VA 20191 T:703.891.9960 F:877.253.1287 W:[potomacfinancialpcg.com](http://potomacfinancialpcg.com)

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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](http://www.ssa.gov/history)

# The Three-Legged Stool of Retirement



Social  
Security

Pensions

Savings &  
Investments

<sup>1</sup>2025 Social Security Changes - COLA Fact Sheet, 12/24  
Reflects average monthly payment at full retirement age.

## 2025 ESTIMATED AVERAGE MONTHLY SOCIAL SECURITY PAYMENTS<sup>1</sup>

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

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

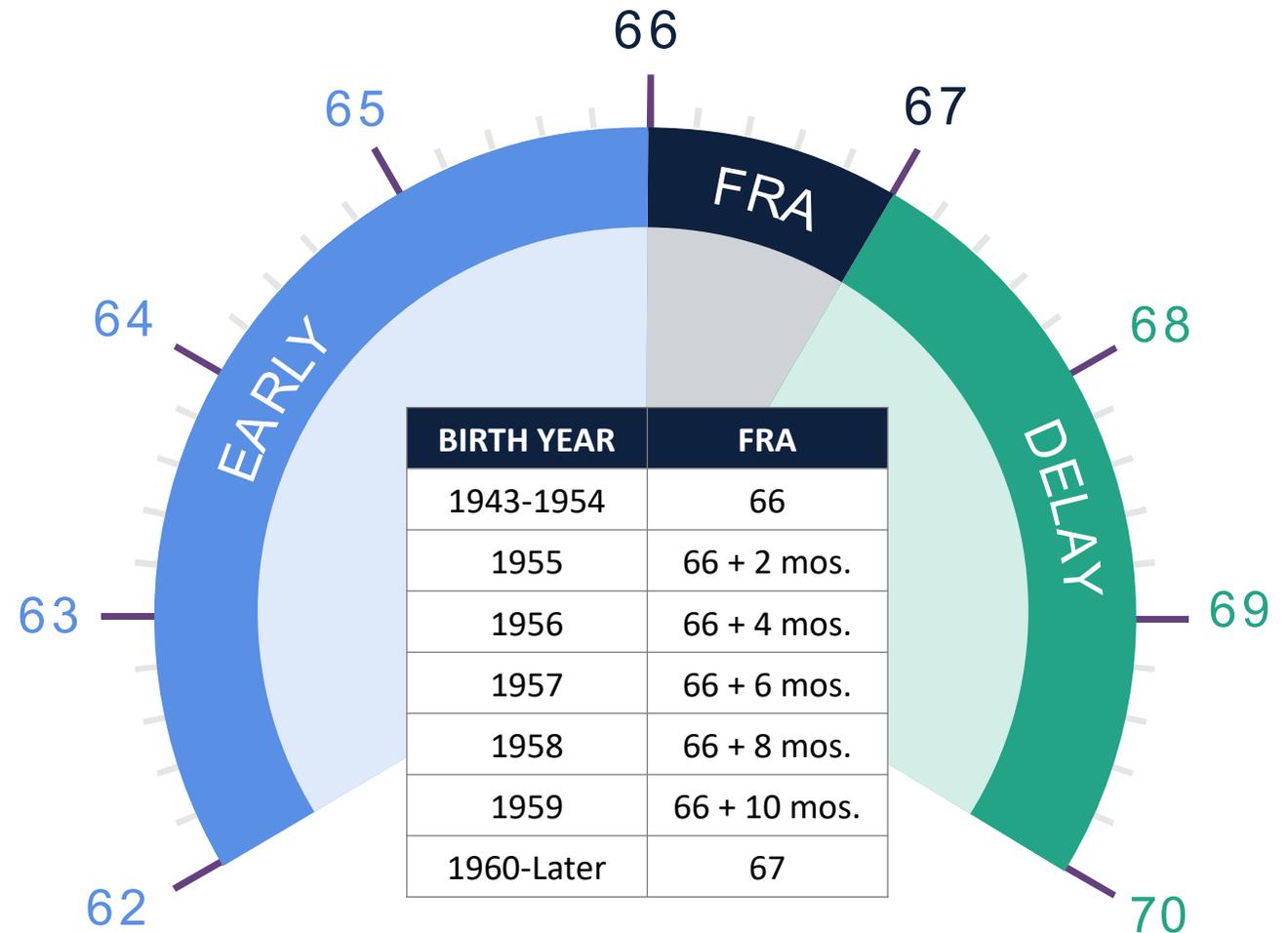
- Timing
- Work
- Taxes
- Awareness



# Timing



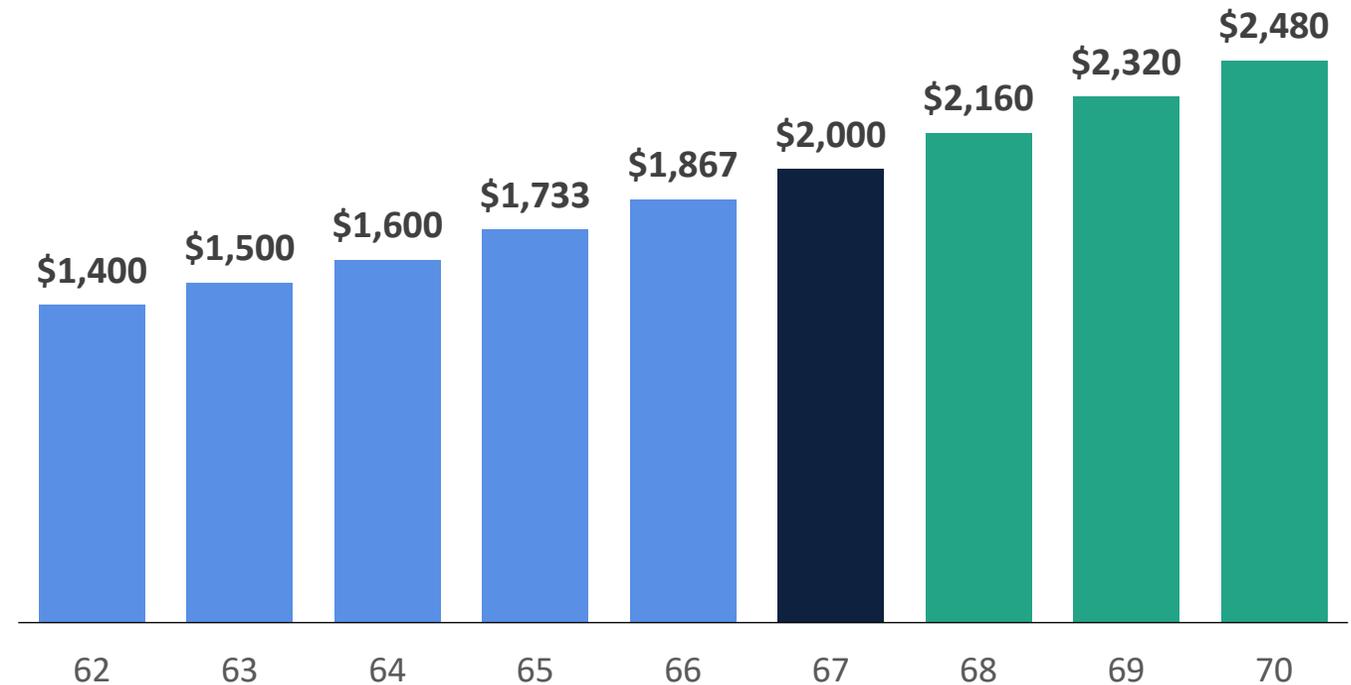
# What's Your Full Retirement Age (FRA)?



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 67<sup>1</sup>



<sup>1</sup>When to Start Receiving Retirement Benefits, [ssa.gov/pubs/EN-05-10147.pdf](https://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?<sup>1</sup>

**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

<sup>1</sup>2025 Social Security Changes - COLA Fact Sheet, 12/24



# How Will Working Impact My Benefit?

Work Earnings

\$46,000



Annual Limit

\$23,400



Over Limit By

\$22,600

Social Security Benefits

\$18,000

(\$1,500 monthly)



½ of Amount Over Limit

\$11,300



Amount of Benefit You'll Receive

\$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?<sup>1</sup>

|  |   |  |   |
|--|---|--|---|
| <b>If Combined Income is...</b>            | 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) |
| <b>% of Social Security that's taxable</b> | Up to <b>0%</b>   | Up to <b>50%</b>   | Up to <b>85%</b>                                |

<sup>1</sup>Benefits 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



\*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](https://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



Her own benefit



Source: Benefits For Your Family/Benefits For Your Spouse, [ssa.gov/benefits/retirement/planner/applying7.html](https://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](https://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](https://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.

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Thank you for joining us.

## Potomac Financial Private Client Group, LLC

11130 Sunrise Valley Drive, Suite 130, Reston, VA 20191

[www.potomacfinancialpcg.com](http://www.potomacfinancialpcg.com)

[info@potomacfinancialpcg.com](mailto:info@potomacfinancialpcg.com)

703.891.9960

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