



FACILITATOR GUIDE

Informed Retirement Decisions: When to Claim Social Security

WORKSHOP OVERVIEW

Audience profile: This workshop primarily is intended for adults in their 50s and early 60s who are nearing retirement and are exploring when to stop working full time and start collecting their Social Security benefits. Younger audience members may be considering an early retirement and wondering how various work and life circumstances will affect the amount of Social Security retirement benefits they will receive and how this decision will affect their retirement paycheck.

Changes in the workplace and retirement savings over the last two decades have made it more important than ever to understand and make informed decisions about Social Security. After all, Social Security originally was designed to supplement income from a traditional (defined benefit) pension plan the employer funded. But as the number of Americans covered by defined benefit plans has fallen from 88 percent just over 20 years ago to only 30 percent by 2013,¹ more people are counting on Social Security as a primary income source in their golden years. By sharing tools and resources, you will show participants how to get the clear answers they need to make better and more confident decisions about their Social Security benefits and ultimately, their financial security in retirement.

This workshop walks participants through the basics of determining their optimal age to begin receiving Social Security benefits, given their unique set of financial and life circumstances. This workshop focuses on guiding participants to accurately project their monthly benefits and to understand how various elements of their life situations — as well as decisions they make — will impact both their Social Security payments and their broader financial situation in retirement. This workshop also directs participants to free, credible resources to answer any questions they may have about Social Security as they draw closer to retirement and provides participants with the tools to outline their own action plan to begin receiving Social Security retirement benefits.

Length of workshop:
90 minutes

Description of content:
Topics addressed in the *Informed Retirement Decisions: When to Claim Social Security* workshop include:

- How Social Security retirement benefits are calculated
- Factors that increase or decrease Social Security retirement benefits
- Common situations to consider before deciding to claim Social Security benefits

¹ Center for Retirement Research at Boston College, *Workers with Pension Coverage By Type of Plan, 1983, 1992, 2001, and 2013*, September 2014
<http://crr.bc.edu/wp-content/uploads/1012/01/figure-15.pdf>

*Target Learning Outcomes:*

Participants will use what they learn in this workshop to determine the optimal age to begin receiving Social Security benefits based on their personal circumstances. They will demonstrate achievement of the competency by outlining a plan to begin receiving Social Security benefits.

Participants will address the following learning objectives as they master the competency:

- a. Explain how Social Security benefits are calculated.
- b. Describe factors that reduce or increase Social Security benefits.
- c. Discuss common situations to consider before deciding when to claim benefits.

Participants will know that they have achieved the learning outcomes when they have done the following:

- a. Created a personal online account at www.ssa.gov/myaccount.
- b. Reviewed a current Social Security statement.
- c. Identified the date of their own Full Retirement Age (FRA).
- d. Predicted Social Security benefits at FRA based on their current and anticipated circumstances.
- e. Summarized the earned income limitations and income tax liability implications of starting benefits early or delaying them.
- f. Selected an ideal Social Security claiming date based on their own values and life situation.
- g. Predicted three possible circumstances that might impact their Social Security claiming date.
- h. Identified ways to fill any gaps between their projected monthly Social Security benefits and their monthly financial obligations.

FACILITATOR PREPARATION


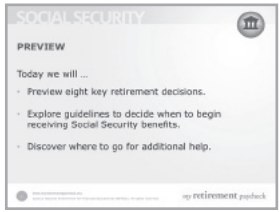
- View NEFE's video resources to maximize your workshop facilitation and integrate best practices for engaging adult learners. (www.financialworkshopkits.org/getting-started.aspx)
 - About Financial Workshop Kits (length: 4:20)
 - How to Use Financial Workshop Kits (length: 1:33)
 - Plan Prior to Teaching (length: 3:53)
 - Better Engage Your Audience (length: 3:32)
- Promote workshop.
- If possible, gather demographic information about your audience to make the workshop relevant to their financial circumstances, skills and knowledge.
- Preview this guide so you are prepared for questions that may arise.
- Tour www.socialsecurity.gov/myaccount to become familiar with the Retirement Planner resources.
- Practice using the online calculators and tools available on the Social Security Administration Retirement Planner website (www.socialsecurity.gov/planners/benefitcalculators.html).
- Make note of the suggested length for each topic in this workshop. This workshop is designed to run approximately 90 minutes from Introduction and Preview to Wrap Up, depending on the amount of class discussion.



- Optional: Upon registration, ask participants to bring a copy of their Social Security benefits statement. Participants can download their personal statements from the Social Security Administration website, www.socialsecurity.gov/myaccount/. (Registration is required in advance to access the statements.)
- Download a sample Social Security statement to show the class at www.ssa.gov/myaccount/SSA-7005-OL.pdf. Remove any personal identifying data.
- Reflect on your own Social Security situation:
 - Do you know how much your Social Security checks will be? (Or if you're getting them now, when did you know how much they would be?)
 - What factors will (or did) affect the amount of your benefits?
 - Will you (or did you) start taking your benefits early, at Full Retirement Age, or wait? Why?
- Reflect on your own views about Social Security and financial security during retirement.
 - What is (or was) your biggest question or concern about your Social Security benefits?
 - What lessons learned from your own research and experience might be helpful to share with others?
- Throughout the workshop, keep these two points in mind:
 - When it comes to talking about money, sharing your own successes and challenges will make the workshop much more engaging — and valuable — for participants. It makes the points you're discussing come alive, reassures participants that they are not alone in having questions and concerns, and encourages them to share their own experiences, which can be equally valuable to other participants.
 - Participants may feel self-conscious about their financial situation or some of the choices they've made, so include a statement in your opening that these workshops are a judgment-free zone and that there is no single right or wrong answer — it depends on the person's situation and values. The aim of this workshop is to empower individuals to make decisions that work for them and align with their values and needs, which might not look like everyone else's.

MATERIALS NEEDED

- PowerPoint presentation, LCD projector, screen, laptop computer
- Flip chart and easel or whiteboard, markers
- Pens/pencils for participants
- Copies of Workshop Packet, one per learner
- Sample Social Security Statement without personal identifying data
- Name tags or name tents
- Optional: Internet access for live tour of the SSA MyAccount website (www.ssa.gov/myaccount) and online calculators
- Optional: Computer and Internet access for participants to register and get a copy of their Social Security Statement at www.socialsecurity.gov/myaccount/
- Optional: Pre-workshop and post-workshop evaluation forms, one per learner

Presenter Notes	Materials
<p>Introduction and Preview <i>10 minutes</i></p> <ul style="list-style-type: none"> ❑ Display this slide as you greet people when they arrive and help them get settled. ❑ Ensure that everyone displays a name tag or name tent. ❑ Welcome participants and introduce yourself. ❑ Facilitate an introductory activity to engage participants as they share names and get to know one another. Provide a prompt to gain insight into your audience by asking a nonthreatening, retirement-based question. [List the questions on the flip chart or whiteboard. At the end of the workshop, review the list to evaluate whether or not issues have been addressed, or point out where to get more information.] <ul style="list-style-type: none"> — <i>What do you hope to gain by attending this workshop?</i> — <i>What is one question you have regarding Social Security?</i> 	 <p>Slide 1 - Workshop Title</p> <p>Name tags or Name tents</p> <p>Markers</p> <p>Flip chart or whiteboard</p>
<ul style="list-style-type: none"> ❑ Lead into the workshop introduction as the Preview slide is displayed to provide an overview of the workshop content and outcomes. ❑ Share that by the end of this workshop, participants will be better equipped to determine their own target date to begin claiming Social Security benefits. Explain that during this workshop they will do the following: <ul style="list-style-type: none"> — Preview eight key retirement decisions. — Explore guidelines to decide when to begin receiving Social Security benefits. — Discover where to go for additional help. 	 <p>Slide 2 - Preview</p>



- ❑ Ask participants to give examples of ways people receive regular income. (Examples might include paycheck from a job, disability benefits, and alimony and palimony payments.)
- ❑ Note that individuals receiving these types of income probably had only partial control of these checks. Even if they negotiated the salary, their employer decided terms such as whether they'd be paid weekly or biweekly, when and how much their raises would be, or whether they were eligible for any bonuses — and how much and when those would be. For alimony and child support, the lawyers or court decided what they would receive and when. And for any kind of benefits check, the insurer or government determined how much they would receive and when.
- ❑ Point out that in these instances, the income earners simply focused on managing the money they received. But stress that this changes in retirement. Explain that once in retirement, they will be in the driver's seat because THEY will have to decide how much and how often they'll be paid.



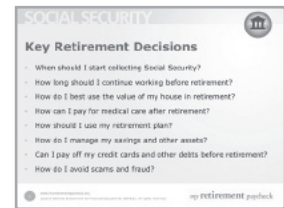
Slide 3 - Retirement Puts You in the Driver's Seat

- ❑ Explain that a retirement paycheck is how people pay themselves throughout their retirement years. When a person takes an action within a decision area, it either produces or reduces retirement income. A “retirement paycheck” describes how each decision area and all income streams work together to create a paycheck.
- ❑ Point out that academic research and evidence suggests that retirement is a holistic process, with each decision area affecting other areas of consideration. For example, all of the questions shown in the illustration on the screen are connected to one larger question: *How much of a regular retirement paycheck can I expect to pay myself?* The answer to this question depends on decisions made about factors such as work, benefits and housing. By piecing together many different streams of income, taking responsibility for making informed decisions, and appropriately growing and protecting assets, individuals can make a small nest egg last longer during retirement.



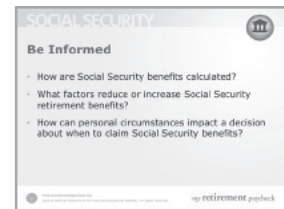
Slide 4 - A Holistic Approach

- ❑ Explain that just as retirement planning encompasses savings, work, pensions and Social Security, decisions about drawing down assets are interrelated as well.
- ❑ Note that there are eight decision areas: Social Security, Home and Mortgage, Insurance, Retirement Plans, Savings and Investment, Debt, Fraud and Work. While most of these decision areas are income producers — meaning they contribute income to one’s retirement years — areas such as Debt and Fraud are examples of income reducers.
- ❑ Explain that decisions that are made in each of these areas have a real impact on what a person can pay themselves as part of their retirement paycheck.



Slide 5 - Key Retirement Decisions

- ❑ Preview that this workshop specifically will help participants be informed about factors that impact their Social Security benefits. Distribute the Workshop Packet and point out the Action Plan. Preview the directions and explain that today participants will address the following topics to help them decide the best time to begin claiming Social Security benefits.
 - Explain how Social Security benefits are calculated.
 - Describe factors that reduce or increase Social Security benefits.
 - Discuss common situations to consider before deciding when to claim benefits.
- ❑ (Optional) Ask participants to complete the pre-workshop evaluation.



Slide 6 - Be Informed

Workshop Packet

Action Plan: My Target Claiming Date

Pre-workshop evaluation



Topic A: How Social Security benefits are calculated at Full Retirement Age
 15 minutes
 Essential

- Facilitate a discussion about the value of knowing how the Social Security Administration arrives at each individual’s Social Security monthly benefit amount. Point out the following aspects about Social Security benefits.
 - Deciding when to claim your Social Security benefit is one of the most critical — and irreversible — decisions affecting your retirement. Even though an individual may be eligible to claim Social Security at age 62, payments will significantly increase by waiting longer.
 - Once the benefits have started, the decision to change the claim date cannot be reversed, with few exceptions such as suspending payments at full retirement age (FRA).
 - An individual is not eligible to receive a full 100 percent payment of Social Security benefits until reaching what the Social Security Administration calls Full Retirement Age (FRA).

- Note that the government has been increasing the FRA over the years, so the FRA depends on the year a person was born as shown on the slide chart.

- Note also that there is no need to worry about Social Security not being there when you retire. Based on current law, full funding will be there until 2041. Even if no modifications are made, workers still will be paid 78 percent of their scheduled benefit.



Activity: Guide participants to identify their FRA and full retirement year. Work through each of Action Steps #1-#3 together before proceeding to the next step. Direct participants to add their responses to their Action Plans.

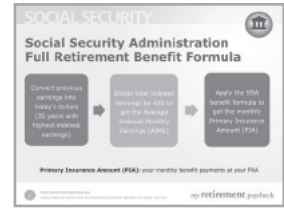
- **Step 1: What is the Full Retirement Age based on your birth year? (Reference the slide chart)**
- **Step 2: How many years until you reach the Full Retirement Age? (FRA minus current age)**
- **Step 3: In what year will you reach your FRA? (current year plus years until FRA)**

Birth Year	Full Retirement Age (FRA)
Through 1954	66
1955-1959	66 + at least two months
1960+ later	67

Slide 7 -
 What's Your FRA?

Action Plan: My Target Claiming Date (#1-#3)

- Transition into an explanation of how monthly benefits are calculated by sharing that a person’s FRA is part of the formula used by the Social Security Administration (SSA) to calculate each individual’s monthly retirement benefit.
- Distribute the Benefit Formula Info Sheet to reference each step as you illustrate how the SSA figures out a person’s monthly benefit amount in three general steps.
 - **Step 1:** First, the annual earnings for each earning year is indexed for inflation. (Note in the example that the 1974 earnings exceeded the maximum allowed earnings.)
 - **Step 2:** Next, the 35 highest indexed earnings (Step 1) are totaled and then divided by 420 (the total number of months over 35 years) to arrive at Average Indexed Monthly Earnings (AIME). (Note that crossed out indexed earnings are not included in the 35 highest indexed earning years.)
 - **Step 3:** Then, a complex formula is applied to the AIME (Step 2) to calculate the Primary Insurance Amount (PIA), which is how much an individual is eligible to receive every month at the FRA. The formula is designed to support lower-income beneficiaries by providing more emphasis in the lower-earning years. (Note: This example is based on the 2014 SSA formula.)



Slide 8 - Social Security Administration: Full Retirement Benefit Formula

Prop: Benefit Sample

Info Sheet: Benefit Formula

- Share that there is an easier way to identify the amount of a person’s monthly benefit. The SSA has a Social Security Quick Calculator online. If Internet access is available, use sample data to demonstrate how the calculator works.


Estimator Calculator, www.ssa.gov/OACT/quickcalc/index.html

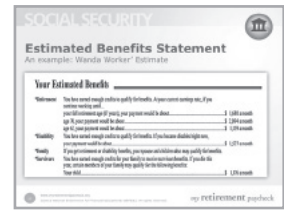


Slide 9 - Easy Access to Your Estimates

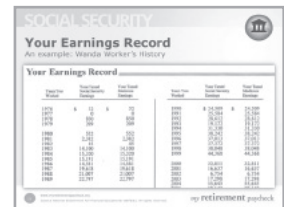


- ❑ [Slide 10] Point out that a better estimate is provided in the statement that the SSA updates annually for each worker. The statement shows an individual’s estimated monthly benefits based on historical, actual data. Ask participants if they’ve ever looked at the Social Security Statement that the administration updates annually. Of those who have looked at a statement, ask what they recall seeing. [Slide 11] Display an excerpt from Wanda Worker’s sample Earnings Record. (Optional: If you downloaded and printed a full sample statement to distribute to each participant, quickly walk through it to summarize the data that is provided in the statement.)
- ❑ [Slide 11] Share that the SSA statement used to be automatically mailed to individuals near their birthdays, but now the statements are available any time online at www.ssa.gov/myaccount. For individuals who have not signed up for MyAccount, statements are mailed every five years beginning at age 25 for those who are not yet receiving Social Security benefits.
- ❑ Encourage participants to verify that their information is correct. If it’s not, participants will need to report the error by filling out the form at www.socialsecurity.gov/forms/ssa-7008.pdf.

 **ACTIVITY: Ask if anyone has yet retrieved their own statement online. If secure Internet access is available, give a quick tour of the MyAccount main page. Feature the Retirement Estimator. Allow limited time for participants to sign up and either retrieve their own statements or use the estimated benefits calculators to determine their estimated monthly benefits based on current data. [Action Plan, #4-#6] (Option: Save this activity to be completed independently in a lab setting, if available, at the conclusion of the workshop.)**



Slide 10 - Estimated Benefits Statement

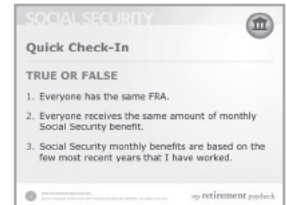


Slide 11 - Your Earnings Record

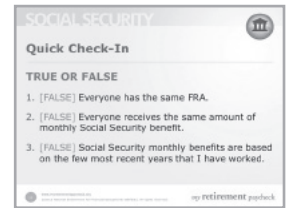
Internet access
Printer (optional)

Action Plan: My Target Claiming Date (#4-#6)

- ❑ **CHECK-IN QUIZ ACTIVITY:** Display three questions and ask individuals to silently answer “True” or “False.” Click through the next slide to review responses and answer any questions at this point.



Slide 12 - Quick Check-In



Slide 13 - Quick Check-In (Answers)

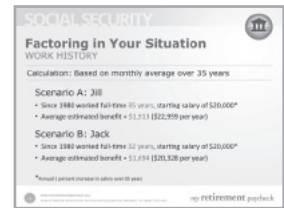
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Topic B: Factors that reduce or increase Social Security benefits
 20 minutes
 Important

- ❑ Ask participants to consider Wanda Worker’s estimated monthly benefits (or their own benefits if they were able to review their statements) to suggest circumstances that might impact Wanda Worker’s benefits amount. Use participants’ responses to transition into talking about primary factors that can impact everyone’s benefits amount.


- ❑ Facilitate a discussion about three primary factors (work years, earnings, age) that can impact every person’s Social Security benefits. Begin by highlighting the following scenarios.
 - Working fewer than 35 years will provide a lower benefit than working at least 35 years while paying Social Security contributions.
 - For every year less than 35 without any earnings, SSA will average in a \$0 income — so the benefit will be lower.
 - This doesn’t have to be consecutive years — individuals may have gaps due to being unemployed, working for an employer not participating in Social Security, or taking time off to care for family.

Example: Both Jill and Jack started working full-time in 1980 at annual salaries of \$20,000. Over a 35-year span, Jill worked every year, but Jack did not report any earned income for three years due to taking time off to care for children and an ailing parent. Because 35 years of work data are used to calculate benefits, Jill’s benefit will be more than Jack’s benefit. For this example, both salaries were increased 3 percent annually. [More details are available at www.myretirementpaycheck.org/social-security/how-are-benefits-calculated.aspx#sthash.S10xpvpv.dpuf]



Slide 14 - Factoring in Your Situation: Work History

- Facilitate a discussion about how annual earnings impact the monthly benefit. Use an example to show the correlation between annual earnings amounts and the benefits amount.
 - Explain that benefits are based on your lifetime earnings and that you qualify for Social Security benefits by earning Social Security credits when you work in a job and pay Social Security taxes. You need at least 10 years to qualify.
 - Additionally, a worker’s previous earnings are restated in terms of today’s wages to reflect wage growth.

 **ACTIVITY: Guide participants to complete the Estimate My Highest Earning Years activity on the back side of the handout. Directions: Place a check next to the years that they recall as their highest earning years, up to 35 check marks depending on their years of work history. Point out that earning years need to be years that included paying Social Security taxes, whether through an employer or when self-employed.**

- Follow up by asking for reasons that people may have gaps in their work history and/or suggestions for ways to achieve the 35-year total. Ask participants how different scenarios, such as working part time in some years and full time in others, might affect their monthly Social Security benefits. Use responses to facilitate a discussion about ways to boost earnings. (Take notes on the flip chart or whiteboard for reference in a later segment of this workshop.) Remember that it’s OK to not work all 35 years. Each additional year up to 35 years helps, but it’s not all or nothing. The point of the exercise is to help participants prepare for realities.



Slide 15 - Factoring in Your Situation: Earning History

Activity: Estimate My Highest Earning Years

Flip chart and marker

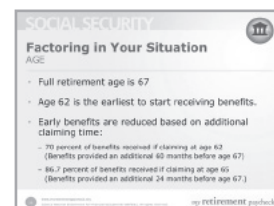


- Point out how age when first claiming benefits also can impact the amount that is received. (Reference: SSA Retirement Age Calculator, www.ssa.gov/planners/retire/ageincrease.html)
 - If someone starts taking benefits at the Full Retirement Age, then the benefit will be the full amount.
 - However, if an individual starts receiving benefits between age 62 and their FRA is at age 66, their benefit amount will be permanently reduced up to 25 percent.
 - By waiting until age 66, benefit payments may be as much as 25 percent higher than if claiming at age 62.
 - Someone who waits to start taking benefits until AFTER the FRA, up to age 70, will receive up to 32 percent higher monthly payments for the rest of his or her life than if claiming at age 66.
 - Bottom line: An individual with FRA at 66 earns a guaranteed 76 percent return by delaying retirement until age 70 from age 62. No other investment can deliver guaranteed returns like that.



ACTIVITY: If secure Internet access is available, allow time for participants to use the SSA Retirement Age Calculator to calculate what if scenarios to estimate the change in their monthly benefit if they choose to retire before their FRA. If time allows, introduce participants to the retirement planning tools provided by the Consumer Financial Protection Bureau (www.consumerfinance.gov/retirement/before-you-claim).

- Facilitate a discussion about the pros and cons of claiming Social Security benefits early. Examples might include having to fill gaps by utilizing private medical insurance since Medicare benefits don't start until age 65. Use this to lead into the next segment of the workshop.

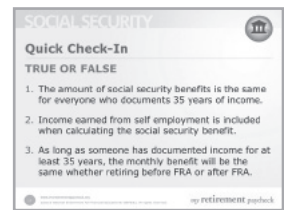


Slide 16 - Factoring in Your Situation: Age

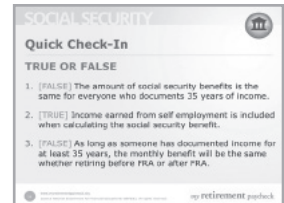
Internet access



- **CHECK-IN QUIZ ACTIVITY:** Display three questions and ask individuals to silently answer “True” or “False.” Click through the next slide to review responses and answer any questions at this point.



Slide 17 - Quick Check-In



Slide 18 - Quick Check-In (Answers)

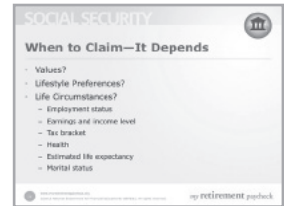
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Topic C: Circumstances to consider before starting benefits
 20 minutes
 Important

- Point out that determining the best age to start Social Security benefits involves other variables beyond age and work history. Individuals also must take into consideration personal values, lifestyle preferences and life circumstances, such as employment status when claiming benefits, tax bracket, health, estimated life expectancy and marital status.
- Ask for examples of reasons that a person might start taking Social Security benefits early. Also ask what might prompt someone to delay claiming benefits until age 70. Based on the responses, lead a discussion to illustrate how two or three of the more common lifestyle preferences and life circumstances might impact a retirement decision.
 - Examples of reasons to start early include: poor health, family history of short life expectancies and/or being out of work and needing income now to make ends meet.
 - Examples of reasons to delay include: ability to work, good health, long life expectancy, security of increased permanent benefit amount, the earned income limitation, and/or being in a high tax bracket because up to 85 percent of Social Security benefits may be taxable.



ACTIVITY: Guide participants to identify circumstances that they most likely will need to consider when choosing their own benefit start date. Also guide them to identify two or three values or lifestyle preference criteria that are important to them as they transition into retirement. [Action Plan, #7-#8].



Slide 19 - When to Claim — It Depends

Action Plan: My Target Claiming Date (#7-#8)

- Point out that individuals might continue to work after claiming Social Security benefits for various reasons such as desire to continue the job, retaining employee benefits or earning additional income.

[Scenario A] “I’m currently working and won’t reach my Full Retirement Age for a year or more.”

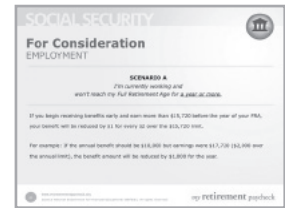
If you earn more than \$15,720 before the year you attain your Full Retirement Age, your Social Security retirement benefits will be reduced by \$1 for every \$2 over the \$15,720 limit. For example, if your benefit should be \$10,000 but you have an earned income of \$17,720 (\$2,000 over the limit), your benefit amount will be reduced by \$1,000 for the year.

[Scenario B] “I’m currently working but will reach my Full Retirement Age this year.”

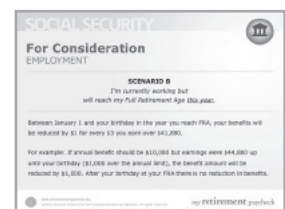
Between January 1 and your birthday in the year you reach Full Retirement Age, your Social Security retirement benefits will be reduced by \$1 for every \$3 you earn over \$41,880. For example, if your benefit amount should be \$10,000 and you earn \$44,880 up until your birthday, your benefit will be reduced by \$1,000. However, after you pass your birthday in the year you reach your Full Retirement Age, there is no reduction in Social Security retirement benefits, regardless of how much you earn.

See more at: <http://www.myretirementpaycheck.org/social-security/special-situations-to-consider.aspx#sthash.E21tUO2W.dpuf>

- Note that the amounts used in the employment calculations only apply to gross wages for employees, or net earnings for the self-employed. Income from investments, alimony, pensions and annuities does not count in the recalculation of Social Security benefits.

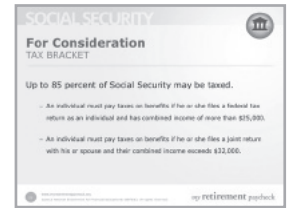


Slide 20 - For Consideration: Employment Scenario A



Slide 21 - For Consideration: Employment Scenario B

- Point out that some people who get Social Security must pay federal income taxes on their benefits, but no one pays taxes on more than 85 percent of their Social Security benefits.
 - An individual must pay taxes on benefits if he or she files a federal tax return as an individual and his or her combined income—including adjusted gross income, tax-exempt interest income, and half of the individual’s Social Security benefits—exceeds \$25,000. If a joint return is filed, taxes must be paid if an individual and his or her spouse have a combined income of more than \$32,000. Married individuals filing separate returns likely will have to pay taxes on benefits. See Benefits Planner: Income Taxes and Your Social Security Benefits for more information (<https://www.socialsecurity.gov/planners/taxes.html>).

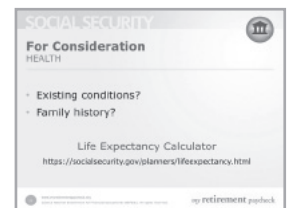


Slide 22 - For Consideration: Tax Bracket

- Point out that although financial benefits should be carefully considered when deciding the time to claim benefits, health conditions and life expectancy also can be variables when making the decision.

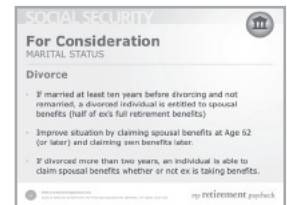


ACTIVITY: Prompt participants to think of their family history. Ask if they anticipate living into their 60s, 70s, 80s or 90s. If participants have access to computers, allow time for them to utilize the Life Expectancy Calculator (<https://socialsecurity.gov/planners/lifeexpectancy.html>).



Slide 23 - For Consideration: Health

- Facilitate a discussion about how marital status, including divorce, also can impact the amount that is received. Explain that divorce is an often-overlooked opportunity for tapping into Social Security benefits. Point out the following divorce scenarios:
 - A person who was married 10 years and didn’t remarry after divorcing is entitled to spousal benefits equal to half of the ex’s full retirement benefits. This is true even if the former spouse has remarried. The former spouse must be at least age 62.
 - Divorced individuals receiving an ex’s benefits may improve their situation by claiming the spousal part of the benefits at age 62 (or later) and letting benefits from his or her own work record continue to grow.
 - If an individual has been divorced more than two years, he or she doesn’t have to wait for their ex-spouse to start taking benefits to take his or her own benefits.

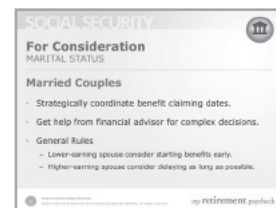


Slide 24 - For Consideration: Marital Status Divorce



- Address additional considerations specific to married couples by pointing out opportunities to coordinate benefits between spouses. Married couples can have complex decisions to make regarding when and how to start taking Social Security benefits due to variations in age, income, work preferences and health considerations between spouses. Suggest that often it is best to see a financial advisor because Social Security staff often are not equipped to provide individual scenario planning.
- Inform attendees that, as a general rule, the lower-earning spouse should start benefits early. The Society of Actuaries suggests the strategy of a lower-earning spouse starting his or her benefits early (age 62 or when earned income would no longer reduce benefits) while the higher earner delays as long as possible.
 - If both live to age 70, then the higher earner starts his or her benefit at a greatly increased amount.
 - If the higher earner dies first (say five years later, at age 75), the surviving spouse can switch to his or her now much-higher benefit. The couple has enjoyed the lower earner's benefit for years (between age 62 and 70).
 - And, if the lower earner has a higher likelihood of outliving his or her spouse, he or she has kind of an insurance policy benefit — the deceased's increased Social Security benefit.

Reference: www.myretirementpaycheck.org/social-security/when-should-i-start-claiming.aspx#sthash.msn3l4bh.dpuf



Slide 25 - For Consideration: Marital Status Married Couples



- Explain that the Retirement Planner section on the SSA website (www.ssa.gov/planners/retire/#&sb=0) can help. If feasible, demonstrate how the tool works.



ACTIVITY: If secure Internet access is available, guide participants to perform what if scenarios to compare estimated benefits of retiring early, at FRA, and after FRA. [Action Plan #9]

- Ask participants to share any general observations or questions, again being careful to not address personal issues.



Slide 26 - SSA Retirement Planning Guide

Internet access:
www.ssa.gov/RetirementPlannerGuide

Action Plan: My Target Claiming Date (#9)

Continued on page 20



- Ask participants to silently consider how they would answer the following question:
 - *Would the estimated Social Security monthly benefit cover your estimated monthly financial obligations? If not, how might you fill the gaps?*
- Use the following questions to facilitate a discussion about ways to fill gaps when Social Security benefits will not cover financial obligations.
 - *Would a larger Social Security check from you or your spouse help to bridge that gap?*
 - *If you need to delay when you claim to receive a larger lifetime Social Security benefit, what can you do to get there? (Examples might include generating income with part-time work, downsizing housing costs, using a pension or strategically managing distributions from a 401(k), working additional years to increase one's 35-year average.)*
- As relevant during the discussion, stress that Social Security benefits are inflation-adjusted, so they often are worth more than other income sources that are not adjusted for inflation over the course of your retirement. Also remind participants that every year delayed in taking Social Security benefits counts for something; it doesn't have to be all or nothing. Every little bit helps. Each year that claiming is delayed will count for an 8 percent increase to the monthly benefit amount up to age 70.
- You also may want to point out that paying for monthly obligations (fixed expenses) with guaranteed sources of income and using savings for discretionary and variable costs in retirement can be a good rule of thumb.



ACTIVITY: Allow a few minutes for participants to privately reflect on the implications of their claiming date decision and circumstances that might impact the selected date. Encourage participants to take more time in the days following the workshop to carefully consider how their current and anticipated circumstances will impact their claiming date decision. [Action Plan #10-#11]



Slide 27 - Bridging the Gap

Action Plan: My Target Claiming Date (#10-#11)



- ❑ Begin to wrap up the workshop by asking participants to reflect on their potential claiming date based on what they learned during this workshop. Ask if any participants have changed their minds after participating in this workshop and why.



Slide 28 - Intentionally Set the Date

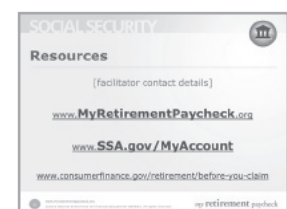
Wrap up: Take Action
15 minutes

- ❑ Transition into the Wrap Up for this workshop by reviewing what was covered. Reinforce that deciding when to claim Social Security benefits is one of the most critical decisions that can impact retirement income, but not the only decision. Remind participants of the following points:
 - A decision also will need to be made regarding how long and how much to work before claiming Social Security benefits.
 - Health care also should play a role in the decisions about work, since Medicare benefits won't apply until age 65.
- ❑ Point out that choosing one's Social Security claiming date is only one of eight important retirement decisions (as presented in the slide). Explain that this one decision impacts several other decisions, including how long to work and how to use savings and investments. And vice versa: Other retirement decisions impact the claiming date decision.
- ❑ Suggest that participants look at www.MyRetirementPaycheck.org or other workshops in this series for more information about the other retirement decision areas.



Slide 29 - My Retirement Paycheck

- ❑ Provide your contact information (if desired) so participants can follow up later with questions.
- ❑ Point out the list of resources provided in the Workshop Packet. Call attention to the following online resources:
 - www.myretirementpaycheck.org/social-security-retirement.aspx
 - www.SSA.gov/myaccount
 - www.consumerfinance.gov/retirement/before-you-claim



Slide 30 - Resources



- Encourage the participants to use what they have learned to complete the Action Plan. If feasible, arrange for participants to continue to work on their own or with your guidance after the workshop concludes. Provide Internet access in a lab setting so participants can utilize the SSA calculators and Retirement Planner resources.



31 - Are You Ready?

Action Plan:
Determine the
Date (#12)

Internet access