



Action Plan: My Target Claiming Date

Directions:

Assess your current and expected circumstances to determine your target date to begin receiving Social Security benefits. Use this guide to assess your readiness, compare options and plan for when you will begin claiming Social Security benefits.

(✓)	Readiness Tasks
	1. My Full Retirement Age (FRA): _____
	2. Number of years until my Full Retirement Age: _____
	3. My Full Retirement Age year: _____
	4. I have created an online account at www.ssa.gov/myaccount .
	5. I have reviewed my most current Social Security Statement and verified the annual earnings data.
	6. Based on my Social Security Statement, I know my estimated monthly Social Security benefit at Full Retirement Age (FRA). \$ _____
	7. I have specified important values and lifestyle preference criteria that will affect my Social Security claiming decision.
	8. I have identified at least three possible factors and/or circumstances that may impact my decision to begin claiming benefits before or after my FRA.
	9. I have compared my estimated FRA with benefits received if I retire earlier or later.
	10. If I have decided to start early Social Security benefits or to delay benefits, I am aware of the long-term cash flow and income tax liability implications.
	11. Based on the three possible factors and/or circumstances that might impact my actual Social Security claiming date, I have planned contingencies to address any of these circumstances, including strategies to fill any income gaps.
	12. My ideal Social Security claiming date: _____

Resources:

- www.myretirementpaycheck.org
- www.ssa.gov/myaccount
- www.consumerfinance.gov/retirement/before-you-claim



Info Sheet: Benefit Formula

Step 1:
Convert earnings by multiplying by the index factor.

Year	Maximum Earnings	Actual Earnings	Index Factor	Indexed Earnings
1971	\$7,800	\$0	6.62	\$0
1972	\$9,000	\$0	6.02	\$0
1973	\$1,000	\$0	5.67	\$0
1974	\$13,200	\$13,500	5.35	\$70,620
1975	\$14,100	\$13,770	4.98	\$68,575
1976	\$15,300	\$14,175	4.66	\$66,056
1977	\$16,500	\$14,500	4.39	\$63,655
1978	\$17,700	\$15,020	4.07	\$61,131
1979	\$22,900	\$15,191	3.74	\$56,814
1980	\$25,900	\$0	3.43	\$0
1981	\$29,700	\$0	3.12	\$0
1982	\$32,400	\$0	2.96	\$0
1983	\$35,700	\$14,100	2.82	\$39,762
1984	\$37,800	\$15,320	2.66	\$40,751
1985	\$39,600	\$15,191	2.55	\$38,737
1986	\$42,000	\$14,581	2.48	\$36,161
1987	\$43,800	\$19,618	2.33	\$45,710
1988	\$45,000	\$21,007	2.22	\$46,636
1989	\$48,000	\$22,797	2.14	\$48,786
1990	\$51,300	\$24,509	2.04	\$49,998
1991	\$53,400	\$25,584	1.97	\$50,400
1992	\$55,500	\$28,612	1.87	\$53,504
1993	\$57,600	\$19,172	1.86	\$35,660
1994	\$60,600	\$31,330	1.81	\$56,707

Year	Maximum Earnings	Actual Earnings	Index Factor	Indexed Earnings
1995	\$61,200	\$36,200	1.74	\$62,988
1996	\$62,700	\$37,013	1.66	\$61,442
1997	\$65,400	\$37,372	1.57	\$58,674
1998	\$68,400	\$38,048	1.49	\$56,692
1999	\$72,600	\$44,368	1.41	\$62,559
2000	\$76,200	\$32,811	1.34	\$43,967
2001	\$80,400	\$16,637	1.31	\$21,794
2002	\$84,900	\$6,754	1.29	\$8,713
2003	\$87,000	\$17,298	1.26	\$21,795
2004	\$87,900	\$18,250	1.21	\$22,083
2005	\$90,000	\$22,500	1.16	\$26,100
2006	\$94,200	\$27,500	1.11	\$30,525
2007	\$97,500	\$27,823	1.06	\$29,492
2008	\$102,000	\$28,750	1.04	\$29,900
2009	\$106,800	\$28,750	1.06	\$30,475
2010	\$106,800	\$29,325	1.03	\$30,205
2011	\$106,800	\$30,204	1	\$30,204
2012	\$110,100	\$55,645	1	\$55,645
2013	\$113,700	\$59,642	1	\$59,642
2014	\$117,000	\$67,975	1	\$67,975

Step 2:
Divide total of the highest 35 indexed earnings by 420.

Total 35 highest indexed amounts	\$1,688,230	(A)		
Average Indexed Monthly Earnings (A/420 months)	\$4,020	AIME		
Estimated Monthly Retirement Benefit at Age 66	\$1,766			
<i>*Based on 2014 SSA formula</i>				

Step 3:
The average indexed earnings is used to calculate the estimated monthly benefit based on the current SSA formula.

1. What factors have impacted the amount of Wanda's Estimated Monthly Benefit?

2. Wanda is 55 years old. How can she boost the amount of her Estimated Monthly Benefit?

 **Activity: Estimate My Highest Earning Years**

Directions:

Place a checkmark (✓) next to the 35 years of your highest earnings.

1950		1970		1990		2010	
1951		1971		1991		2011	
1952		1972		1992		2012	
1953		1973		1993		2013	
1954		1974		1994		2014	
1955		1975		1995		2015	
1956		1976		1996		2016	
1957		1977		1997		2017	
1958		1978		1998		2018	
1959		1979		1999		2019	
1960		1980		2000		2020	
1961		1981		2001		2021	
1962		1982		2002		2022	
1963		1983		2003		2023	
1964		1984		2004		2024	
1965		1985		2005		2025	
1966		1986		2006		2026	
1967		1987		2007		2027	
1968		1988		2008		2028	
1969		1989		2009		2029	

1. *What employment factors will impact the amount of your Estimated Monthly Benefit?*

2. *In what ways can you boost the amount of your Estimated Monthly Benefit?*
