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Jim & Linda Client

The Nationwide Retirement Institute

Monday, April 1, 2024

Report Number 691295

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Assumptions

Name	Jim	Linda
Date of Birth	8/10/1959	1/7/1961
Gender	M	F
Assumed Inflation	2.40%	
Real Rate of Return	2.10%	
Full Retirement Age	66 years 10 months	67 years
Income Need	\$7,500	
Survivor Need	\$6,000	

Estimated Monthly Benefits

Age	62	63	64	65	66	67	68	69	70
Jim	\$2,152	\$2,426	\$2,821	\$3,150	\$3,471	\$3,814	\$4,214	\$4,630	\$5,065
Linda	\$1,478	\$1,625	\$1,775	\$1,969	\$2,171	\$2,382	\$2,634	\$2,898	\$3,172

Why are the estimated benefits different from my Social Security Statement?

Your Social Security Statement makes certain assumptions that differ from the assumptions we make in preparing your analysis.

First, Social Security assumes that the average wages will not increase in the future. Average wage statistics are used to index your past earnings to equal today's dollars, and to adjust formulas in the benefit calculation. We assume that the average wage will increase at the same pace as inflation, and we adjust your earnings as well as the formulas for future election years based on this assumption.

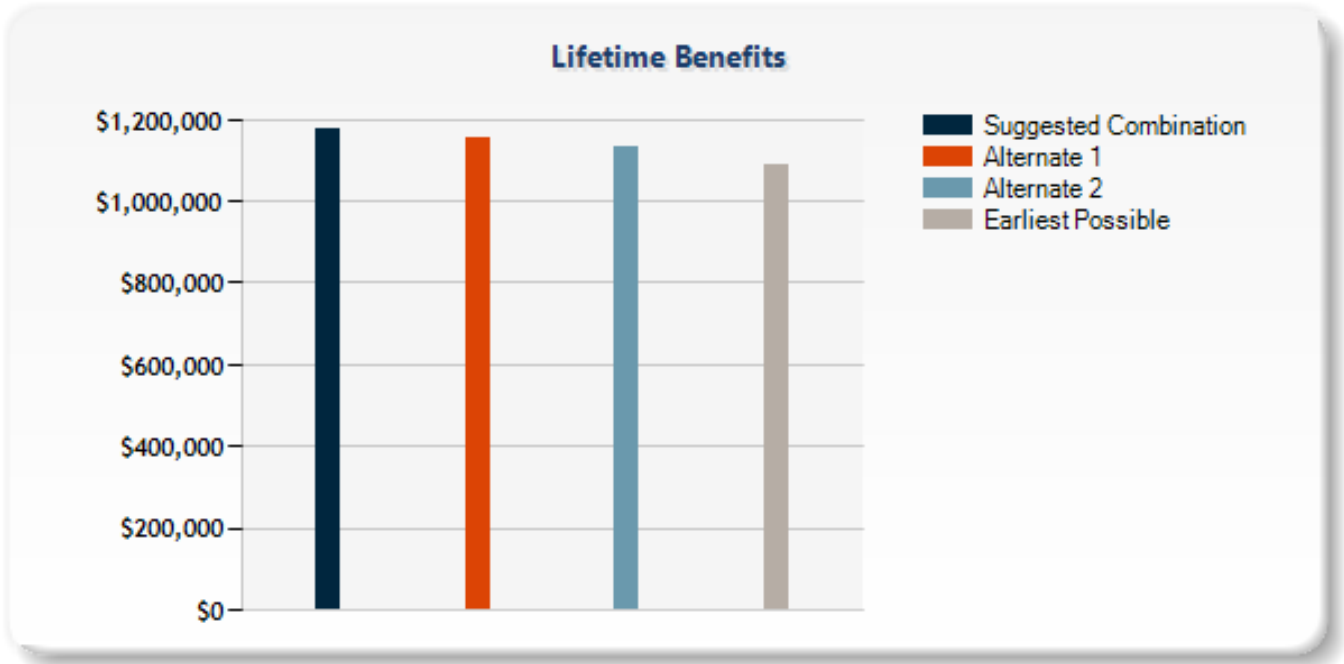
Second, your Social Security Statement does not include cost of living adjustments. Historically, cost of living adjustments have occurred regularly and a recent Social Security Trustees report (<https://www.ssa.gov/oact/tr/2023/>) assumes long term Cost of Living Adjustments to be between 1.8% and 3.0% per year with the most likely average being 2.4% per year. The benefit amounts above include Cost of Living adjustments based on the 2.40% inflation assumption per year that you entered.

The raw dollar amount of your future benefit is of interest to most of our clients and as a result, we present that information above and through this report when potential benefit amounts are referenced. As a result, the monthly benefit amounts above and through the remainder of this report represent your benefits in future dollars. We have taken substantial care to utilize the lifetime values of different benefit elections in today's dollars, using a real rate of return of 2.10%. Lifetime benefit values throughout this report represent the present value of benefits based on the estimated cashflows on the respective strategy cashflow tables. Cashflow tables are annual cashflows. "Strategy" in this report is used to denote a set of Social Security claiming ages and techniques, not an investment strategy.

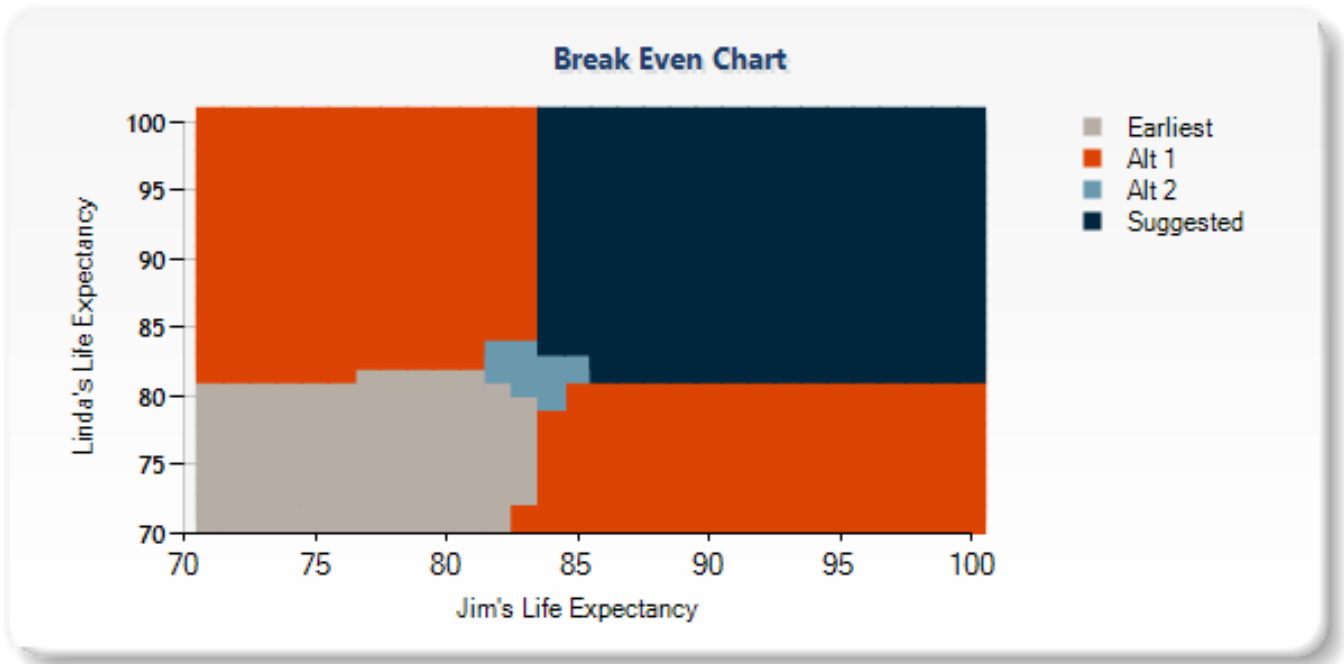
Strategy Comparison

The expected lifetime family benefit using the **optimal** strategy is: **\$1,174,763**

- The expected lifetime family benefit for the **first alternate** available combination is: **\$1,153,984**
- The expected lifetime family benefit for the **second alternate** available combination is: **\$1,134,397**
- The expected lifetime family benefit for the **earliest** available combination is: **\$1,087,638**



Graph represents present value of Lifetime Family Benefits. The preceding chart and comparisons assume that Jim dies at age 86 years and Linda dies at age 89 years.



Graph illustrates which of the outlined strategies provides the best outcome at any given set of whole year death age combinations. Break Even points occur at combinations where the strategy offering the best outcome changes. The Suggested strategy was determined by assuming Jim dies at 86 years and Linda dies at 89 years.

Your Optimal Social Security Strategy

Jim

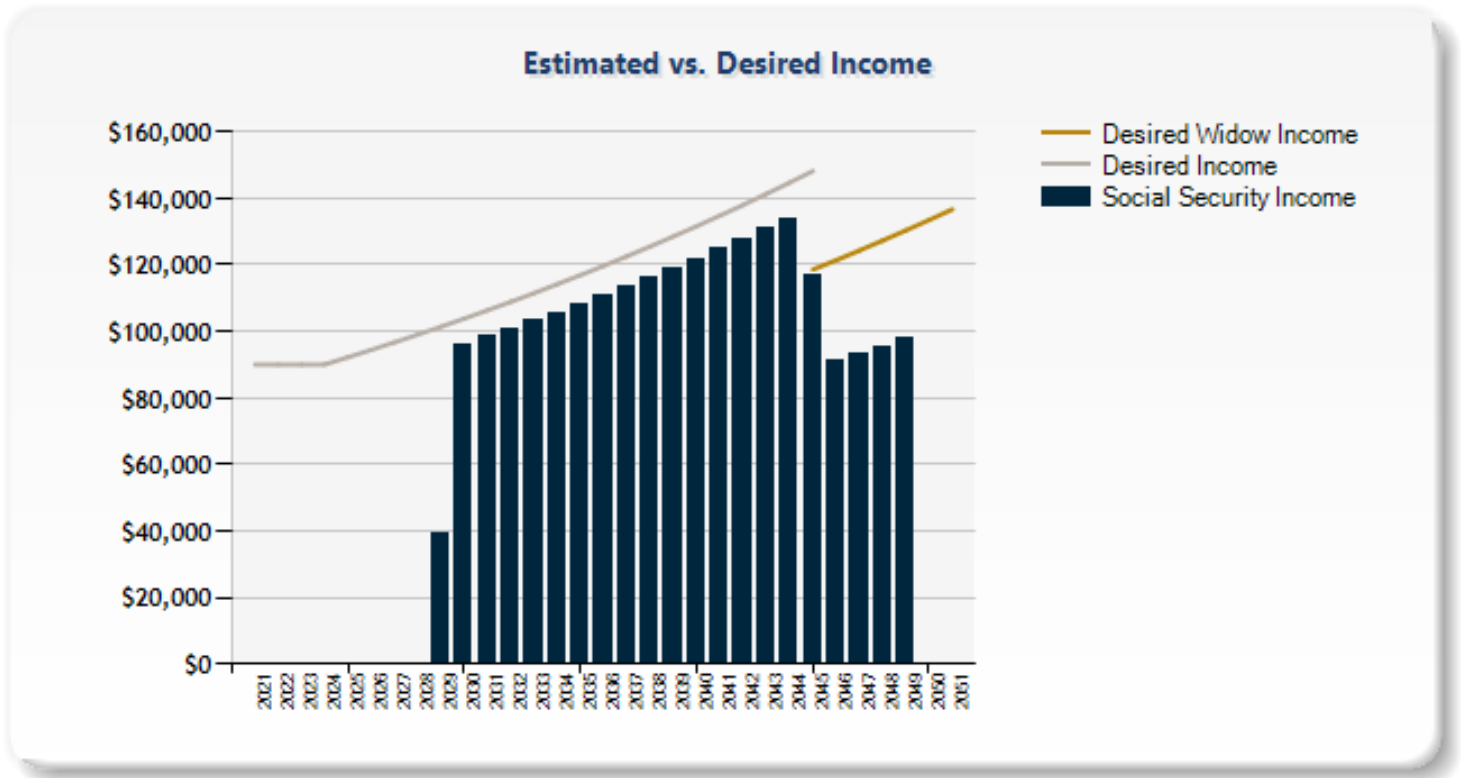
- File a standard application for benefits at your age **70 years**. Your approximate benefit would be **\$5,065**

Linda

- File a standard application for benefits at your age **68 years 7 months**. Your approximate benefit would be **\$2,748**

The expected lifetime family benefit using this strategy is: **\$1,174,763**

Using the Optimal Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *Optimal* Social Security Strategy

Jim

Linda

Combined Benefit Breakdown *Net Present Value*

Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$665,151	\$0	\$0

Retirement	Spousal	Widow
\$360,902	\$0	\$148,709

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary		Total	Need	Gap
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow			
2021	62	\$0	\$0	\$0	60	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2022	63	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2023	64	\$0	\$0	\$0	62	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2024	65	\$0	\$0	\$0	63	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2025	66	\$0	\$0	\$0	64	\$0	\$0	\$0	\$0	\$92,160	(\$92,160)
2026	67	\$0	\$0	\$0	65	\$0	\$0	\$0	\$0	\$94,371	(\$94,371)
2027	68	\$0	\$0	\$0	66	\$0	\$0	\$0	\$0	\$96,636	(\$96,636)
2028	69	\$0	\$0	\$0	67	\$0	\$0	\$0	\$0	\$98,956	(\$98,956)
2029	70	\$25,325	\$0	\$0	68	\$13,740	\$0	\$0	\$39,065	\$101,330	(\$62,265)
2030	71	\$62,232	\$0	\$0	69	\$33,768	\$0	\$0	\$96,000	\$103,762	(\$7,762)
2031	72	\$63,732	\$0	\$0	70	\$34,584	\$0	\$0	\$98,316	\$106,253	(\$7,937)
2032	73	\$65,256	\$0	\$0	71	\$35,412	\$0	\$0	\$100,668	\$108,803	(\$8,135)
2033	74	\$66,828	\$0	\$0	72	\$36,264	\$0	\$0	\$103,092	\$111,414	(\$8,322)
2034	75	\$68,424	\$0	\$0	73	\$37,128	\$0	\$0	\$105,552	\$114,088	(\$8,536)
2035	76	\$70,068	\$0	\$0	74	\$38,016	\$0	\$0	\$108,084	\$116,826	(\$8,742)
2036	77	\$71,748	\$0	\$0	75	\$38,928	\$0	\$0	\$110,676	\$119,630	(\$8,954)
2037	78	\$73,476	\$0	\$0	76	\$39,864	\$0	\$0	\$113,340	\$122,501	(\$9,161)
2038	79	\$75,240	\$0	\$0	77	\$40,824	\$0	\$0	\$116,064	\$125,441	(\$9,377)
2039	80	\$77,040	\$0	\$0	78	\$41,796	\$0	\$0	\$118,836	\$128,452	(\$9,616)
2040	81	\$78,888	\$0	\$0	79	\$42,804	\$0	\$0	\$121,692	\$131,535	(\$9,843)
2041	82	\$80,784	\$0	\$0	80	\$43,824	\$0	\$0	\$124,608	\$134,691	(\$10,083)
2042	83	\$82,716	\$0	\$0	81	\$44,880	\$0	\$0	\$127,596	\$137,924	(\$10,328)
2043	84	\$84,708	\$0	\$0	82	\$45,960	\$0	\$0	\$130,668	\$141,234	(\$10,566)
2044	85	\$86,736	\$0	\$0	83	\$47,064	\$0	\$0	\$133,800	\$144,624	(\$10,824)
2045	86	\$51,814	\$0	\$0	84	\$28,112	\$0	\$37,010	\$116,936	\$118,476	(\$1,540)
2046	87	\$0	\$0	\$0	85	\$0	\$0	\$90,948	\$90,948	\$121,319	(\$30,371)
2047	88	\$0	\$0	\$0	86	\$0	\$0	\$93,132	\$93,132	\$124,231	(\$31,099)
2048	89	\$0	\$0	\$0	87	\$0	\$0	\$95,364	\$95,364	\$127,212	(\$31,848)
2049	90	\$0	\$0	\$0	88	\$0	\$0	\$97,656	\$97,656	\$130,266	(\$32,610)
		\$1,185,015	\$0	\$0		\$642,968	\$0	\$414,110	\$2,242,093	\$3,312,135	(\$1,070,042)

Your *First Alternate* Social Security Strategy

Jim

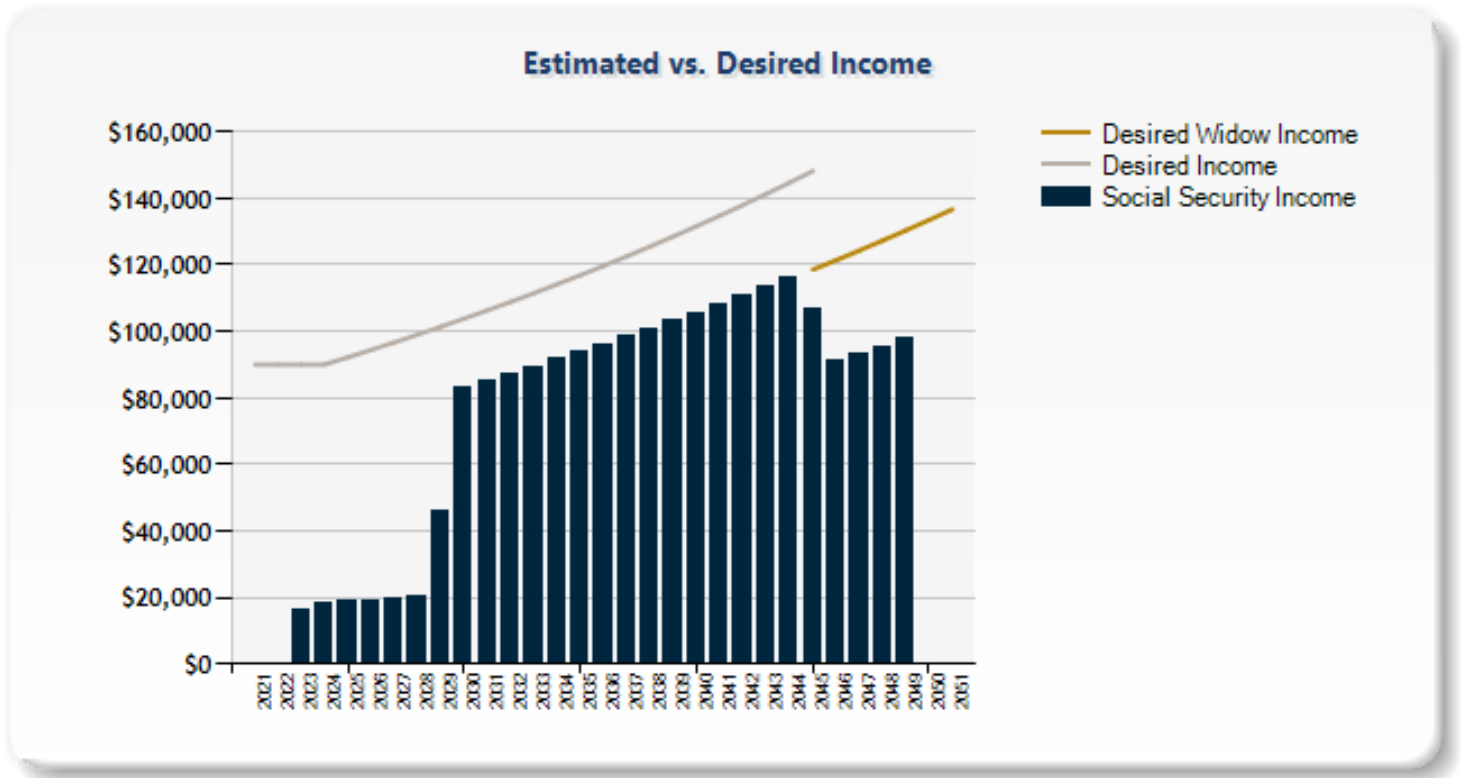
- File a standard application for benefits at your age **70 years**. Your approximate benefit would be **\$5,065**

Linda

- File a standard application for benefits at your age **62 years 1 months**. Your approximate benefit would be **\$1,478**

The expected lifetime family benefit using this strategy is: **\$1,153,984**

Using the First Alternate Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *First Alternate Social Security Strategy*

Jim

Linda

Combined Benefit Breakdown *Net Present Value*

Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$665,151	\$0	\$0

Retirement	Spousal	Widow
\$340,123	\$0	\$148,709

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary		Total	Need	Gap
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow			
2021	62	\$0	\$0	\$0	60	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2022	63	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2023	64	\$0	\$0	\$0	62	\$16,258	\$0	\$0	\$16,258	\$90,000	(\$73,742)
2024	65	\$0	\$0	\$0	63	\$18,312	\$0	\$0	\$18,312	\$90,000	(\$71,688)
2025	66	\$0	\$0	\$0	64	\$18,744	\$0	\$0	\$18,744	\$92,160	(\$73,416)
2026	67	\$0	\$0	\$0	65	\$19,200	\$0	\$0	\$19,200	\$94,371	(\$75,171)
2027	68	\$0	\$0	\$0	66	\$19,656	\$0	\$0	\$19,656	\$96,636	(\$76,980)
2028	69	\$0	\$0	\$0	67	\$20,124	\$0	\$0	\$20,124	\$98,956	(\$78,832)
2029	70	\$25,325	\$0	\$0	68	\$20,616	\$0	\$0	\$45,941	\$101,330	(\$55,389)
2030	71	\$62,232	\$0	\$0	69	\$21,108	\$0	\$0	\$83,340	\$103,762	(\$20,422)
2031	72	\$63,732	\$0	\$0	70	\$21,612	\$0	\$0	\$85,344	\$106,253	(\$20,909)
2032	73	\$65,256	\$0	\$0	71	\$22,128	\$0	\$0	\$87,384	\$108,803	(\$21,419)
2033	74	\$66,828	\$0	\$0	72	\$22,656	\$0	\$0	\$89,484	\$111,414	(\$21,930)
2034	75	\$68,424	\$0	\$0	73	\$23,208	\$0	\$0	\$91,632	\$114,088	(\$22,456)
2035	76	\$70,068	\$0	\$0	74	\$23,760	\$0	\$0	\$93,828	\$116,826	(\$22,998)
2036	77	\$71,748	\$0	\$0	75	\$24,336	\$0	\$0	\$96,084	\$119,630	(\$23,546)
2037	78	\$73,476	\$0	\$0	76	\$24,912	\$0	\$0	\$98,388	\$122,501	(\$24,113)
2038	79	\$75,240	\$0	\$0	77	\$25,512	\$0	\$0	\$100,752	\$125,441	(\$24,689)
2039	80	\$77,040	\$0	\$0	78	\$26,124	\$0	\$0	\$103,164	\$128,452	(\$25,288)
2040	81	\$78,888	\$0	\$0	79	\$26,748	\$0	\$0	\$105,636	\$131,535	(\$25,899)
2041	82	\$80,784	\$0	\$0	80	\$27,396	\$0	\$0	\$108,180	\$134,691	(\$26,511)
2042	83	\$82,716	\$0	\$0	81	\$28,044	\$0	\$0	\$110,760	\$137,924	(\$27,164)
2043	84	\$84,708	\$0	\$0	82	\$28,716	\$0	\$0	\$113,424	\$141,234	(\$27,810)
2044	85	\$86,736	\$0	\$0	83	\$29,412	\$0	\$0	\$116,148	\$144,624	(\$28,476)
2045	86	\$51,814	\$0	\$0	84	\$17,570	\$0	\$37,010	\$106,394	\$118,476	(\$12,082)
2046	87	\$0	\$0	\$0	85	\$0	\$0	\$90,948	\$90,948	\$121,319	(\$30,371)
2047	88	\$0	\$0	\$0	86	\$0	\$0	\$93,132	\$93,132	\$124,231	(\$31,099)
2048	89	\$0	\$0	\$0	87	\$0	\$0	\$95,364	\$95,364	\$127,212	(\$31,848)
2049	90	\$0	\$0	\$0	88	\$0	\$0	\$97,656	\$97,656	\$130,266	(\$32,610)
		\$1,185,015	\$0	\$0		\$526,152	\$0	\$414,110	\$2,125,277	\$3,312,135	(\$1,186,858)

Your Second Alternate Social Security Strategy

Jim

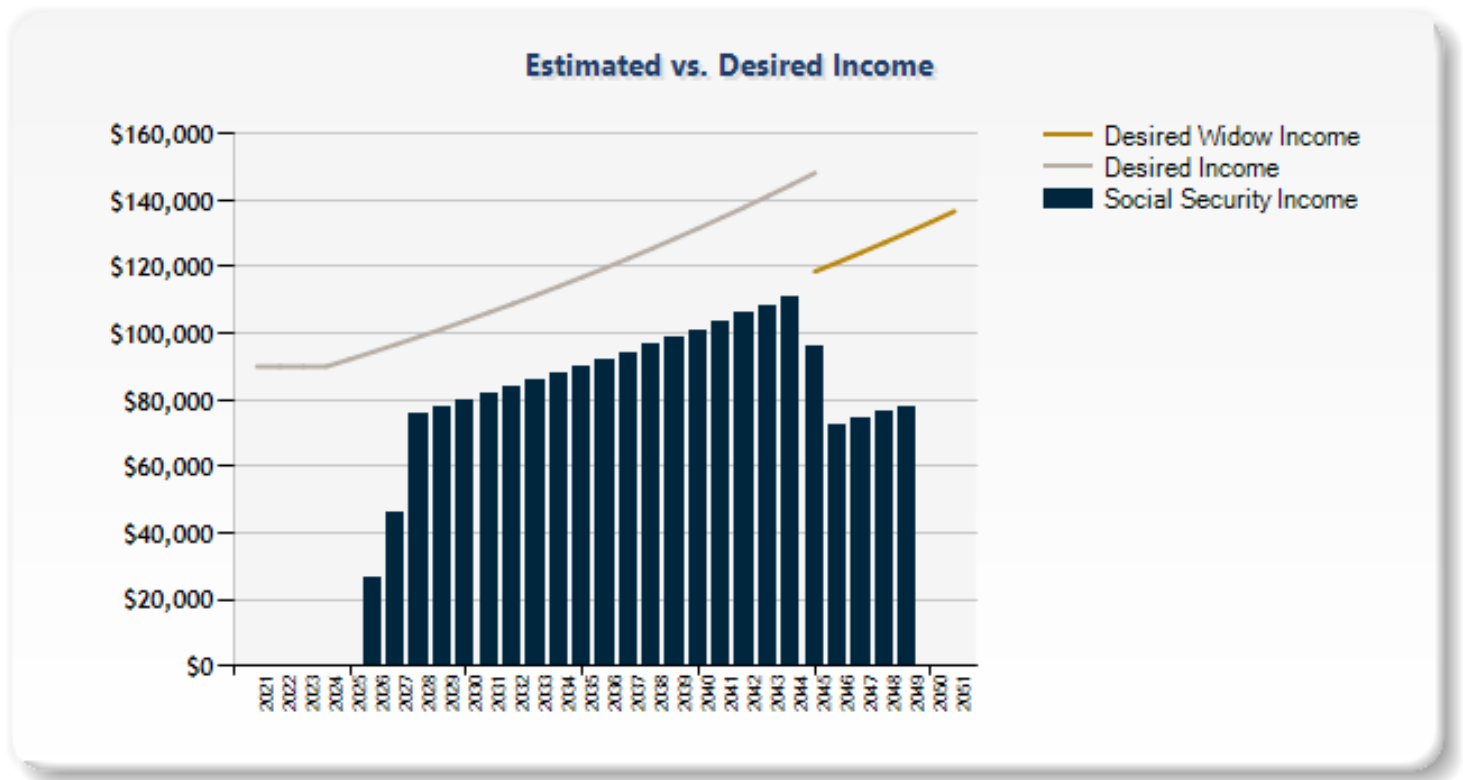
- File a standard application for benefits at your age **66 years 10 months**. Your approximate benefit would be **\$3,764**

Linda

- File a standard application for benefits at your age **67 years**. Your approximate benefit would be **\$2,382**

The expected lifetime family benefit using this strategy is: **\$1,134,397**

Using the Second Alternate Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *Second Alternate Social Security Strategy*

Jim

Linda

Combined Benefit Breakdown *Net Present Value*

Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$657,758	\$0	\$0

Retirement	Spousal	Widow
\$358,007	\$0	\$118,632

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary		Total	Need	Gap
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow			
2021	62	\$0	\$0	\$0	60	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2022	63	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2023	64	\$0	\$0	\$0	62	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2024	65	\$0	\$0	\$0	63	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2025	66	\$0	\$0	\$0	64	\$0	\$0	\$0	\$0	\$92,160	(\$92,160)
2026	67	\$26,348	\$0	\$0	65	\$0	\$0	\$0	\$26,348	\$94,371	(\$68,023)
2027	68	\$46,248	\$0	\$0	66	\$0	\$0	\$0	\$46,248	\$96,636	(\$50,388)
2028	69	\$47,352	\$0	\$0	67	\$28,584	\$0	\$0	\$75,936	\$98,956	(\$23,020)
2029	70	\$48,492	\$0	\$0	68	\$29,268	\$0	\$0	\$77,760	\$101,330	(\$23,570)
2030	71	\$49,656	\$0	\$0	69	\$29,976	\$0	\$0	\$79,632	\$103,762	(\$24,130)
2031	72	\$50,844	\$0	\$0	70	\$30,696	\$0	\$0	\$81,540	\$106,253	(\$24,713)
2032	73	\$52,068	\$0	\$0	71	\$31,428	\$0	\$0	\$83,496	\$108,803	(\$25,307)
2033	74	\$53,316	\$0	\$0	72	\$32,184	\$0	\$0	\$85,500	\$111,414	(\$25,914)
2034	75	\$54,600	\$0	\$0	73	\$32,952	\$0	\$0	\$87,552	\$114,088	(\$26,536)
2035	76	\$55,908	\$0	\$0	74	\$33,744	\$0	\$0	\$89,652	\$116,826	(\$27,174)
2036	77	\$57,252	\$0	\$0	75	\$34,560	\$0	\$0	\$91,812	\$119,630	(\$27,818)
2037	78	\$58,620	\$0	\$0	76	\$35,388	\$0	\$0	\$94,008	\$122,501	(\$28,493)
2038	79	\$60,024	\$0	\$0	77	\$36,228	\$0	\$0	\$96,252	\$125,441	(\$29,189)
2039	80	\$61,464	\$0	\$0	78	\$37,104	\$0	\$0	\$98,568	\$128,452	(\$29,884)
2040	81	\$62,940	\$0	\$0	79	\$37,992	\$0	\$0	\$100,932	\$131,535	(\$30,603)
2041	82	\$64,452	\$0	\$0	80	\$38,904	\$0	\$0	\$103,356	\$134,691	(\$31,335)
2042	83	\$66,000	\$0	\$0	81	\$39,840	\$0	\$0	\$105,840	\$137,924	(\$32,084)
2043	84	\$67,584	\$0	\$0	82	\$40,788	\$0	\$0	\$108,372	\$141,234	(\$32,862)
2044	85	\$69,204	\$0	\$0	83	\$41,772	\$0	\$0	\$110,976	\$144,624	(\$33,648)
2045	86	\$41,335	\$0	\$0	84	\$24,948	\$0	\$29,525	\$95,808	\$118,476	(\$22,668)
2046	87	\$0	\$0	\$0	85	\$0	\$0	\$72,552	\$72,552	\$121,319	(\$48,767)
2047	88	\$0	\$0	\$0	86	\$0	\$0	\$74,292	\$74,292	\$124,231	(\$49,939)
2048	89	\$0	\$0	\$0	87	\$0	\$0	\$76,080	\$76,080	\$127,212	(\$51,132)
2049	90	\$0	\$0	\$0	88	\$0	\$0	\$77,904	\$77,904	\$130,266	(\$52,362)
		\$1,093,707	\$0	\$0		\$616,356	\$0	\$330,353	\$2,040,416	\$3,312,135	(\$1,271,719)

Your Earliest Possible Social Security Strategy

Jim

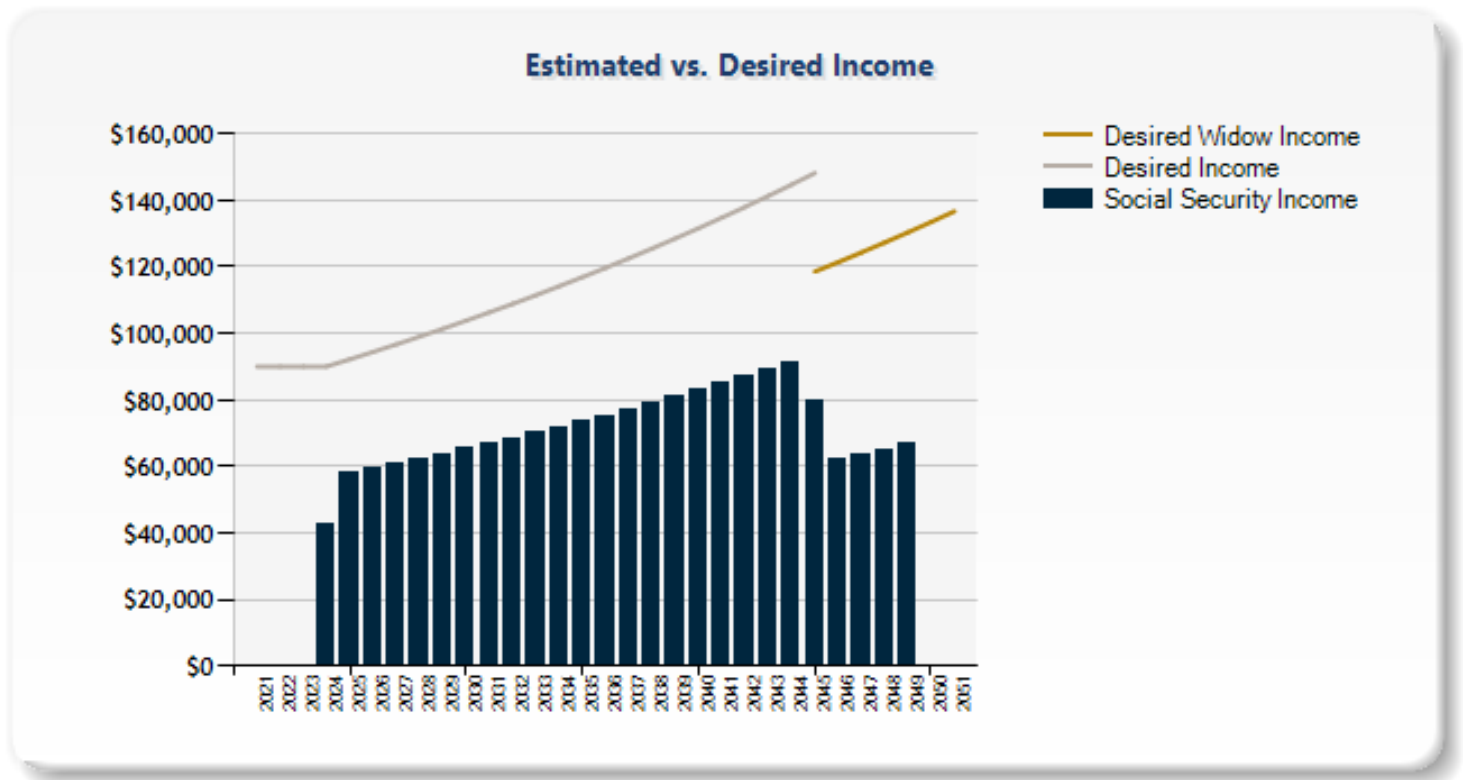
- File a standard application for benefits at your age **64 years 8 months**. Your approximate benefit would be **\$3,071**

Linda

- File a standard application for benefits at your age **63 years 3 months**. Your approximate benefit would be **\$1,652**

The expected lifetime family benefit using this strategy is: **\$1,087,638**

Using the Earliest Possible Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *Earliest Possible Social Security Strategy*

Jim

Linda

Combined Benefit Breakdown *Net Present Value*

Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$641,198	\$0	\$0

Retirement	Spousal	Widow
\$344,944	\$0	\$101,496

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary				
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow	Total	Need	Gap
2021	62	\$0	\$0	\$0	60	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2022	63	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2023	64	\$0	\$0	\$0	62	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2024	65	\$27,639	\$0	\$0	63	\$14,868	\$0	\$0	\$42,507	\$90,000	(\$47,493)
2025	66	\$37,728	\$0	\$0	64	\$20,304	\$0	\$0	\$58,032	\$92,160	(\$34,128)
2026	67	\$38,640	\$0	\$0	65	\$20,784	\$0	\$0	\$59,424	\$94,371	(\$34,947)
2027	68	\$39,564	\$0	\$0	66	\$21,288	\$0	\$0	\$60,852	\$96,636	(\$35,784)
2028	69	\$40,512	\$0	\$0	67	\$21,792	\$0	\$0	\$62,304	\$98,956	(\$36,652)
2029	70	\$41,484	\$0	\$0	68	\$22,320	\$0	\$0	\$63,804	\$101,330	(\$37,526)
2030	71	\$42,480	\$0	\$0	69	\$22,848	\$0	\$0	\$65,328	\$103,762	(\$38,434)
2031	72	\$43,500	\$0	\$0	70	\$23,400	\$0	\$0	\$66,900	\$106,253	(\$39,353)
2032	73	\$44,544	\$0	\$0	71	\$23,964	\$0	\$0	\$68,508	\$108,803	(\$40,295)
2033	74	\$45,612	\$0	\$0	72	\$24,540	\$0	\$0	\$70,152	\$111,414	(\$41,262)
2034	75	\$46,704	\$0	\$0	73	\$25,128	\$0	\$0	\$71,832	\$114,088	(\$42,256)
2035	76	\$47,832	\$0	\$0	74	\$25,728	\$0	\$0	\$73,560	\$116,826	(\$43,266)
2036	77	\$48,972	\$0	\$0	75	\$26,352	\$0	\$0	\$75,324	\$119,630	(\$44,306)
2037	78	\$50,148	\$0	\$0	76	\$26,976	\$0	\$0	\$77,124	\$122,501	(\$45,377)
2038	79	\$51,360	\$0	\$0	77	\$27,624	\$0	\$0	\$78,984	\$125,441	(\$46,457)
2039	80	\$52,584	\$0	\$0	78	\$28,284	\$0	\$0	\$80,868	\$128,452	(\$47,584)
2040	81	\$53,844	\$0	\$0	79	\$28,968	\$0	\$0	\$82,812	\$131,535	(\$48,723)
2041	82	\$55,140	\$0	\$0	80	\$29,664	\$0	\$0	\$84,804	\$134,691	(\$49,887)
2042	83	\$56,460	\$0	\$0	81	\$30,372	\$0	\$0	\$86,832	\$137,924	(\$51,092)
2043	84	\$57,816	\$0	\$0	82	\$31,104	\$0	\$0	\$88,920	\$141,234	(\$52,314)
2044	85	\$59,208	\$0	\$0	83	\$31,848	\$0	\$0	\$91,056	\$144,624	(\$53,568)
2045	86	\$35,364	\$0	\$0	84	\$19,026	\$0	\$25,260	\$79,650	\$118,476	(\$38,826)
2046	87	\$0	\$0	\$0	85	\$0	\$0	\$62,076	\$62,076	\$121,319	(\$59,243)
2047	88	\$0	\$0	\$0	86	\$0	\$0	\$63,564	\$63,564	\$124,231	(\$60,667)
2048	89	\$0	\$0	\$0	87	\$0	\$0	\$65,088	\$65,088	\$127,212	(\$62,124)
2049	90	\$0	\$0	\$0	88	\$0	\$0	\$66,648	\$66,648	\$130,266	(\$63,618)
		\$1,017,135	\$0	\$0		\$547,182	\$0	\$282,636	\$1,846,953	\$3,312,135	(\$1,465,182)

Concepts for Married Couples

Social Security offers three distinct types of benefits for retired workers and/or their spouses:

- **a Retirement benefit**, which is based on his or her own earnings record;
- **an Auxiliary Benefit**, which provides a worker's spouse or children with a benefit once the worker has claimed his own benefit; and
- **a Survivor Benefit**, which provides a surviving spouse or certain other dependents with a benefit after a worker's death.

After the passage of the Bipartisan Budget Act of 2015 (BBA), some previously available claiming strategies were modified or eliminated. This report incorporates those rules and evaluates the remaining available claiming strategies for your consideration.

Retired Worker Benefit – Retirement benefits may be available as early as age 62. Your benefit amount is calculated based on a formula that incorporates your highest 35 years of earnings. If you claim benefits at Full Retirement Age, which varies from 66 to 67 based on your year of birth, you will receive your full benefit, which is known as your “Primary Insurance Amount” (PIA). If you claim early, you will receive a reduced benefit and if you delay, your benefit will be increased by 8% per year (pro-rated by months) of delay up to age 70.

Auxiliary Benefit – The most common Auxiliary benefit for a married couple is the Spousal Benefit. Spousal benefits are generally available to the spouse of a worker who has been married to the worker for at least one year. The amount of the Spousal benefit is 50% of the worker's Primary Insurance Amount if claimed at Full Retirement Age. Spousal benefits are reduced if claimed prior to Full Retirement Age, but do not increase if delayed past Full Retirement Age. When an individual is simultaneously entitled to both a Spousal benefit and a Retirement benefit, the Spousal benefit is reduced by the greater of the Retirement benefit or if a reduced Retirement Benefit is taken, the PIA.

Survivor Benefit – The Survivor benefit is unique in that it is based both on when the deceased filed for benefits and when the Surviving spouse claims benefits. For example, if a higher wage earning spouse elects early, then dies, their spouse will be faced with a permanently reduced Survivor benefit, regardless of when they claim. If the higher wage earner delays claiming Retirement benefits, the available Survivor benefit is also increased.

Restricted Application for Spousal Benefits – Prior to the BBA, any program participant who had reached Full Retirement Age and was eligible for both his own Retirement benefit and a Spousal benefit could “restrict the application” to only Spousal benefits. By restricting the application to only Spousal benefits, entitlement to Retirement benefits was avoided. After claiming an unreduced Spousal benefit only for a period of time, the participant could switch to the Retirement benefit, which had been growing by 8% per year. After the BBA, this option is available only to people born on or before January 1st, 1954.

The Retirement Earnings Test

How does work affect Social Security?

You are able to work and receive Social Security retirement, spousal, or survivor's benefits. However, you may be subject to a reduction in benefits if you haven't attained full retirement age.

The Social Security Administration will withhold benefits during the year in which you work assuming that you provide an estimate to the Social Security office about your expected earnings. If you do not report estimated earnings, the SSA will withhold your monthly payments in the following year until all benefits that should have been withheld are paid in full.

How much of my benefit will be withheld?

In 2024, you are allowed to earn up to \$22,320 before benefits are withheld. For every \$2 you earn above the exempt amount, \$1 dollar will be withheld. This applies to all years leading up to the year in which you attain your full retirement age. During the year you attain full retirement age the exempt amount increases to \$59,520 and for every \$3 you earn over the exempt amount \$1 will be withheld.

Even though your benefits are withheld they are not completely lost. Once you reach full retirement age, your benefits will be increased to account for the number of months that you did not receive a benefit. For example, if your full retirement age is 66 and you filed for benefits at 62 you received a reduction in benefits for taking benefits 48 months early. If 12 payments are withheld due to the earnings test, your benefits will be adjusted at your full retirement age and it will be as if you elected at age 63, or 36 months early.

What is considered income?

If you are employed by someone else only wages are considered earned income for the purpose of the annual earnings test. For people who are self-employed only net earnings count. It is important to note that employee contributions to pension or retirement plans are included in gross wages.

Income that is not counted as earnings include:

- Government benefits,
- Investment earnings,
- Interest,
- Pensions,
- Annuities; and
- Capital gains

Special Rule

For people who file for benefits mid-year and have already earned more than the exempt amount, the monthly earnings test is used. For any month during that first year that you earn under the monthly exempt amount, which is simply 1/12th of the annual exempt amount, you will receive your full benefit for that month, regardless of your earnings before you filed for benefits.

Disclosures

This report is intended as a diagnostic tool to suggest potential election options that may be beneficial. The election options considered may not be exhaustive. While substantial effort has been taken to ensure the accuracy of all calculations, we provide no guarantees. Further, this report can not anticipate future changes to the Social Security System, formulae, or claiming rules.

This report specifically excludes the following situations:

1. This report does not account for disability years. If you have years in which you received Social Security Disability benefits, the result will be inaccurate.
2. This report may incorporate Social Security's Annual Earnings Test. It does not incorporate the Monthly Earnings Test.
3. This report does not incorporate children's benefits, dependent parent's benefits, or the family maximum calculation.
4. This report assumes that the surviving spouse will begin receiving the higher of his or her own benefit, or the deceased spouse's benefit at the time of the first death. Further, the calculation does not assume election of widow's benefits prior to age 70. As a result, if the date of death for either spouse is prior to the survivor's age 70, the results will be inaccurate.
5. This report does not treat Railroad or Military earnings separately. Workers who have 10+ years of Railroad earnings, or certain military service may experience inaccurate results.
6. We assume "Fully Insured" status. If you have not reached fully insured status for retirement benefits, the results will be inaccurate.

Election options also must be coordinated with your other retirement planning. The contents of this report when judged in the context of your overall financial plan may not be optimal for your circumstances, as it may cause unacceptable trade-offs with your other investment assets. Please seek the advice of your own tax, financial, and legal advisors before implementing any strategies contained in this report.

In this report, life expectancy assumptions may be manually entered, or based on Social Security mortality tables, available at www.ssa.gov/OACT/STATS/table4c6.html. Report contents and calculations provided by Social Security Timing.

Nationwide's Social Security 360 Analyzer[®] is provided for informational purposes only. You should work closely with your financial professional to develop a plan that incorporates your specific objectives. The information provided is based on current laws, which are subject to change at any time. The tool and its reports have not been reviewed or endorsed by any government agency.

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