



# Social Security Maximization Guide



# What's Inside

Billions of dollars in Social Security benefits go unclaimed annually.

This guidebook was created to help you gain a better understanding of how and when you should start collecting your benefits.

When it comes to maximizing your Social Security benefits, it's all about timing. Filing too early for Social Security can mean receiving a smaller check and potentially leaving tens of thousands of dollars on the table.

Knowing your "full retirement age" and delaying benefits enables you to maximize monthly payments.

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# Misconceptions of Social Security

There are plenty of misconceptions and misunderstandings when it comes to collecting Social Security. Most people are completely unaware of the rules governing Social Security benefits.

According to economist Laurence Kotlikoff, the Social Security Handbook has 2,728 separate rules governing its benefits and thousands of explanations of those rules. Not knowing the facts can cost you now and in the future.

## Misconception #1: Social Security is going bankrupt.

TRUTH: No, it's not. Even in the unlikely event that nothing changes and the program's entire surplus runs out in 2033, as projected, checks would keep coming. Payroll taxes at current rates would cover 77 percent of all the future benefits promised. That's true for young and old alike, and includes inflation adjustments.

This misconception causes people to start collecting benefits as soon as they are eligible, thus regretting the reduced benefits for the rest of their life.

## Misconception #2: "I'd be better off if I'd kept my Social Security taxes in my own investment account."

This concept would require you to faithfully place that money aside, every year of your working life, in a mix of stocks and bonds, without ever skipping a year, drawing on your nest egg only when you needed the money in retirement.

TRUTH: You'd need to invest far more than you probably realize to match the benefits Social Security pays. As an example, take a 65 year old couple with a single breadwinner who earned the average wage. At retirement, they would currently receive about \$2,170 a month, plus inflation adjustments, for life.

To equal that sum in private savings, you would need to have about \$580,000, and the money might last only around 30 years.

**By delaying from age 62 to 70 you can receive up to a 76% increase in your monthly benefit.**



Did you know that you can delay receiving Social Security benefits to fit your long-term financial plan?



**Misconception #3: You should get back everything you put into Social Security, Right?**

TRUTH: Not exactly. Social Security is not an individual investment program. Your taxes paid for the earlier generation of retirees. Current workers are paying for you. The total amount of your benefit depends on how much you earned, whether you get a spousal benefit, when you retire and how long you live.

**Misconception #4: You must be married for at least 10 years to qualify for spousal benefits from Social Security.**

TRUTH: That 10-year duration of marriage rule applies only to divorced spouses.

**Misconception #5: Any benefits paid to a divorced spouse offset payments due to a current spouse.**

TRUTH: That is simply wrong. Social Security checks paid to an ex-spouse have no impact on benefits payable to a current spouse. They each can receive any and all spousal benefits they are due.

# Social Security | Get the Facts

Social Security can be a tremendous asset to help secure your retirement, but you have to know the facts in order to enjoy the full benefits.



**Are you a  
grandparent  
raising a  
grandchild?  
You could be  
eligible for  
special Social  
Security  
benefits.**

GET THE FACTS

## **FACT #1**

Social Security is not a retirement plan. Social Security was designed to supplement your retirement.

## **FACT #2**

Your retirement benefits will not automatically begin arriving at full retirement age. You have to **APPLY** for Social Security when you reach your full retirement age.

## **FACT #3**

The Social Security Administration can review your application, but they **CANNOT** make recommendations based on your individual financial situation.

10,000 people turn 65 every day. The Social Security Administration does not have the resources to review your application beyond the essentials. Optimizing your benefits requires personal knowledge and hours of planning.

## **FACT #4**

If you make a mistake on your application you only have one opportunity to correct it. From the day you receive your first benefit payment, you have exactly one year to amend your filing status or make any changes.

## **FACT #5**

There isn't a universal "best age" when it comes to collecting your benefits. It's a personal decision that should be made based on your entire financial situation.

The basic question is, should you start your benefit early, at 62, at a **REDUCED** amount, or start it later at a higher level? If you wait, your monthly check will keep rising by 6 to 8 percent every year until you reach age 70.

Social Security is the only guaranteed, lifetime source of income that is adjusted for inflation, so maximizing your benefit is in your best interest

## Collect on Your Ex.

To be eligible to collect on your former spouse, you must have been married for at least ten years and you may not be currently married. You can collect benefits as early as age 62 as long as your ex is old enough to be eligible for benefits even if he or she has not yet collected them. It doesn't matter if your ex has remarried.

If you are divorced and wait until age 66, you can restrict your claim to spousal benefits only, allowing benefits based on your own earnings record to acquire delayed-retirement credits. Then you can switch to your own benefit, assuming it's larger, at age 70.



## Claiming Strategies.

**When it comes to maximizing your Social Security benefits, it's all about timing.**

Identifying your ideal retirement age and understanding the strategies available are critical in planning process.

Filing too early for Social Security can mean getting a smaller check and potentially leaving thousands of dollars on the table, while waiting until Full Retirement Age can maximize monthly payments. When I meet with clients I help them determine their full retirement age, and develop a solution that is unique to their situation.

To determine when to start collecting benefits without penalties, you have to identify your full retirement age. By calling the Social Security administration office, or going to the Social Security website you can find SOME guidance, but not a personalized plan. I have helped many of my clients maximize their Social Security benefits by implementing strategies tailored to their individual, unique situation.

Do you know there are multiple options available for spouses in regards to claiming social security benefits?



## About Jeff Segelke

Jeff Segelke is widely recognized as one of the area's leading financial counselors and educators. His values-based financial strategies help his clients make smart choices about money, develop strategies to minimize the impact of taxes, and protect wealth and create legacies for their families.

Along with hosting free informational seminars and workshops, Jeff is the host of Safe Money Counselor radio, an educational financial talk show that can be heard on radio stations throughout the Salt Lake City area.

Since 2005, Jeff has been ranked among the top 1% of financial advisors nationwide based on MDRT, and has earned the Chartered Financial Consultant designation from the American College.

Jeff was born in California and moved to Utah in 1994. He is a graduate of Brigham Young University in Business & Finance and has been in the financial services industry since 1998. He started at a large financial services company, where he led all new advisors in his category nationwide by his third year. In 2002 Jeff decided that he wanted to form his own company and be independent so that he would be able to offer his clients the best options available and not be beholden to any one company.

Today, Jeff is able to help his clients plan for their retirement using the best possible techniques and products that will help ensure their retirement income needs are met. He also assists his clients with many other financial planning needs, such as planning for children's education funding, estate planning, tax reduction planning, risk management and business succession planning.

Jeff helps his clients reduce the risk they take in their retirement and savings plans, while seeking a reasonable long-term return. He also helps clients maximize their savings and investment accounts to get the best possible yield while also limiting risk.

Jeff enjoys playing basketball, golf and tennis and is a season ticket holder of the Utah Jazz. Jeff believes deeply in giving back and supports the following charities: The Utah Food Bank, The Road Home, The Children's Center, Deseret Industries and others.

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