2018 Tax and Social Security Considerations

- Overview of Income Tax Changes under TCJA of 2018
- MA Estate Tax
- Social Security Claiming Options

- Stephen P Galib CRPC
  SPGalib@gmail.com
  (413)-841-6675

About the presenter

- Stephen P Galib CRPC (Chartered Retirement Planning Counselor) since 2003
  - Fee-based financial planning (registered investment adviser effective 2019)
  - CFP Classes at College of St Rose (completed 2010)
    - But I am not a Certified Financial Planner
- Tax Practitioner with Giardina & Bresett PC since 2006
- Engineer at General Dynamics and predecessor firms (GE, MM, LM) since 1977
  - MEEE from RPI in 1982 (ABC Course graduate)
  - BSEE from University of Notre Dame in 1977

Tax Update for Tax Cuts and Jobs Act (TCJA) of 2018

- Tax Rates and Brackets (2017 vs 2018)
- Capital Gains rates and breakpoints
- Deductions – standard and itemized
- Children
- Additional Changes of Significance
- Qualified Business Income Deduction

MA Estate Tax

- What it is
- Taxable Estate Determination
- Tax Determination
- Tax Table
- Examples
- Legislation

Social Security Claiming Considerations

- Old Age Retirement
- Spouse options (current and former spouses)
- Survivor options
- Claiming considerations

Tax Update for Tax Cuts and Jobs Act (TCJA) of 2018

Tax Brackets – 2018 vs. 2017

2018 Taxable Income			2017 Taxable Income		
Tax Rate (%)	**Single**	**MFJ**	**Tax Rate (%)**	**Single**	**MFJ**
10	$0 - 9,525	$0 - 19,050	10	$0 - 9,325	$0 - 18,650
12	$9,526 - 38,700	$19,051 - 77,400	15	$9,326 - 37,950	$18,651 - 75,900
22	$38,701 - 82,500	$77,401 - 165,000	25	$37,951 - 91,900	$75,901 - 153,100
24	$82,501 - 157,500	$165,001 - 315,000	28	$91,901 - 191,650	$153,101 - 233,350
32	$157,501 - 200,000	$315,001 - 400,000	33	$191,651 - 416,700	$233,351 - 416,700
35	$200,001 - 500,000	$400,001 - 600,000	35	$416,701 - 418,400	$416,701 - 470,700
37	over $500,000	over $600,000	39.6	over $418,400	over $470,700

2018 Qualified Dividend and Long-Term Capital Gain Tax Rates

Single	Ordinary IncomeTax Rate	Long-Term Cap Gain Tax Rate	MFJ	Ordinary IncomeTax Rate	Long-Term Cap Gain Tax Rate
$0 - 9,525	10	0	$0 - 19,050	10	0
$9,526 - 38,600	12	0	$19,051 - 77,200	12	0
$38,601 - 38,700	12	15	$77,201 - 77,400	12	15
$38,701 - 82,500	22	15	$77,401 - 165,000	22	15
$82,501 - 157,500	24	15	165,001 - 315,000	24	15
$157,501 - 200,000	32	15	$315,001 - 400,000	32	15
$200,001 - 425,800	35	15	$400,001 - 479,000	35	15
425,801 - 500,000	35	20	$479,000 - 500,000	35	20
over $500,000	37	20	over $500,000	37	20

Standard Deductions – 2018 vs. 2017

	2018		2017	
	Single	**MFJ**	**Single**	**MFJ**
Std Deduction	12,000	24,000	6,350	12,700
Personal Exemption	0	0	4050	8100
Over 65	1600	1300	1550	1250

- Benefits taxpayers who:
  - Didn't itemize under old rules
  - Have no dependents
- Other taxpayers may or may not benefit overall – depending on other factors

Itemized Deduction Changes

- Itemized Deductions
  - Medical: subject to 7.5% AGI threshold for 2018, back to 10% in 2019
  - State and Local Taxes (SALT) capped at $10,000 – income, property, sales
  - Mortgage and Home Equity Interest
    - Mtge: <$1M on existing loans, <$750k on new loans **(No deduction for PMI on any mtge)**
    - Home Equity: Must be used to acquire or improve home – **APPLIES TO EXISTING HOME EQUITY LOANS AS WELL**
  - Charitable Contributions: Up to 60% of AGI
    - **(≥$250, must have acknowledgement)**
  - Miscellaneous Deductions subject to 2% AGI threshold: Gone
  - No Personal Theft or Casualty deduction unless Federally-declared disaster area (can add net disaster loss to Std Ded – don't have to itemize)
  - No Moving Expense Exemption or Deduction unless active-duty military

Ordering Rules for Home Equity Loans

- Residence principal is considered to be the last principal to be paid
- Example:
  - Took Home Equity Loan in 2012: $100,000
  - Purchased a boat: - $30,000
  - Purchased a car: - $25,000
  - Paid for son's college: - $10,000
  - Put an addition on house: - $35,000

  - If remaining balance is $50,000, interest paid on $35,000 is deductible (70%)
  - If remaining balance is ≤ $35,000, all of the interest paid is deductible (100%)

Children

- Child Tax Credit (dependent children < 17):
  - $2000 ($1400 refundable) per child
  - Substantially increased income limits (MFJ: $400,000, Others: $200,000)
- Dependent Tax Credit (Dependents who don’t qualify as Child)
  - $500 per dependent
  - Applies to children under 19 or under 24 and full-time student
  - Applies to parent who is a dependent
  - Applies to an adult disabled child who is a dependent
- 529 Plans
  - Can be used for elementary and secondary education (up to $10,000/yr)
  - Can be rolled over to ABLE accounts for disabled
    - Used to pay for items, services related to disability

Kiddie Tax

- Reported on Child’s Tax Return
  - Total Income – Earned Income = Unearned Income
  - Std Deduction: $1050
  - Next $1050 taxed at child’s rate (they get a $12,000 Std Ded for earned income)
  - Income after that is taxed at Trust and Estate Tax Rates
    - 10%: $0 - $2550
    - 24%: $2551 – 9150
    - 35%: $9151 – 12,500
    - 37%: over $12,500
- May also report on parent’s return

Additional Tax Changes of Significance

- Alimony
  - Divorce or separation agreement signed after Dec 31, 2018
    - Alimony payment not deductible by payer
    - Alimony income not reportable by payee
  - Could have implications on taxability of Social Security benefits (see Social Security slides later)

- Recharacterization of Roth IRA conversions – no longer allowed
  - Consider 2018 as a bad example: Market peak in late Jan, trough in late Dec
    - If converted to Roth in late Jan and couldn't recharacterize
      - Paid tax on extra 15-20% of converted amount

Additional Tax Changes of Significance

- Affordable Care Act penalty for no insurance repealed
  - MA penalty still applies (up to $1248 per person)
- 401(k) Loan payback period increased (upon employment termination)
  - New limit: due date of tax return including extensions
  - Old limit was 60 days after termination
- Estate and Gift Tax Exclusion Amounts - 2018
  - ≤ $15,000 per person per year (Federal and State) – not reportable
  - Federal lifetime exclusion amounts: $11,180,000 with portability of unused portion to spouse
    - Returns to old limits in 2026
    - MA limit is $1,000,000 (separate discussion later)

Qualified Business Income Deduction (QBID) – Sec 199A

- No limit on type of business or limitations on income if
  - Single Taxable Income ≤ \$157,500
  - MFJ Taxable Income ≤ \$315,000
  - Add’l tests apply above those limits
- IRS has not issued clear regulations regarding rental real estate
  - Predominant accountant view is that active participation qualifies
  - Don’t need to pay self-employment tax
  - Should issue 1099-MISCs to contractors you pay more than \$600 in a year
- Get a 20% deduction for net income (reduced by carryover losses from prior years, SE health insurance premiums and payroll tax deduction)
- Investments in PTPs and certain REITs also qualify, but are netted separately

MA Estate (Death) Tax

ESTATE tax return vs. ESTATE TAX return

- ESTATE tax return: Fiduciary return (1041) for **income earned by an estate** before all assets are distributed to beneficiaries
  - Must file if estate earns $600 or more of gross income in the tax year

- ESTATE TAX return: Form 706 (and M-706 in MA) for **assets of the estate** that exceed the exemption limit, regardless of when they are distributed to beneficiaries
  - Federal Estate Tax exemption limit for 2018 is $11,180,000
  - MA Estate Tax exclusion limit for 2018 is $1,000,000
    - Exemption: The first $xx are exempted from tax; computations start with $xx + $1
    - MA Exclusion: If estate is below limit it's excluded from tax; above that the whole estate is subject to tax

MA Estate Tax Determination

- Uses information and credit amounts from 1999 IRS Form 706
  - Form 706, Line 3: Taxable Estate (everything owned minus allowable deductions)
    - Allowable Deductions (items like):
      - Loan balances on assets in estate
      - Funeral expenses
      - Expenses owed at death, but paid after death
      - Taxes due on final personal return paid after death
      - Medical expenses paid after death (unless deducted on Form 1040)
      - Real estate taxes accrued before death, but paid after death
  - Form 706, Line 4: Adjusted taxable gifts given during your lifetime (Form 709)
    - Only those gifts that exceeded the applicable annual gift tax exclusion (currently $15,000)
  - If sum of Lines 3 and 4 exceed $1M, have to file a MA Estate Tax Return (M-706)
  - MA Taxable Estate = Line 3 only minus $60,000

MA Estate Tax Formula

- Find line in Table that includes Taxable Estate.
- Multiply applicable Marginal Rate by Amount of Taxable Estate above Rate Threshold and
- Add it to Base Taxes Paid amount

MASSACHUSETTS ESTATE TAX RATES

Taxable Estate Range				
Minimum	Maximum	Base Taxes Paid	Marginal Rate	Rate Threshold
$1	$40k	$ -	0.0%	0
$40k	$90k	$ -	0.8%	$40k
$90k	$140k	$ 400	1.6%	$90k
$140k	$240k	$ 1,200	2.4%	$140k
$240k	$440k	$ 3,600	3.2%	$240k
$440k	$640k	$ 10,000	4.0%	$440k
$640k	$840k	$ 18,000	4.8%	$640k
$840k	$1.04M	$ 27,600	5.6%	$840k
$1.04M	$1.54M	$ 38,800	6.4%	$1.04M
$1.54M	$2.04M	$ 70,800	7.2%	$1.54M
$2.04M	$2.54M	$ 106,800	8.0%	$2.04M
$2.54M	$3.04M	$ 146,800	8.8%	$2.54M
$3.04M	$3.54M	$ 190,800	9.6%	$3.04M
$3.54M	$4.04M	$ 238,800	10.4%	$3.54M
$4.04M	$5.04M	$ 290,800	11.2%	$4.04M
$5.04M	$6.04M	$ 402,800	12.0%	$5.04M
$6.04M	$7.04M	$ 522,800	12.8%	$6.04M
$7.04M	$8.04M	$ 650,800	13.6%	$7.04M
$8.04M	$9.04M	$ 786,800	14.4%	$8.04M
$9.04M	$10.04M	$ 903,800	15.2%	$9.04M
$10.04M	& Up	$ 1,082,800	16.0%	$10.04M

MA Death Tax Examples

Example 1:

- Form 706 Line 3: $1,000,001
- Form 706 Line 4: $0
- Taxable Estate: $1,000,001 - $60,000 = $940,001
- Marginal Rate: 5.6%
- Rate Threshold: $840,000
- Base Taxes Paid: $27,600
- Death Tax: $27,600 + ($940,001 - $840,000) * 0.056 = $27,600 + $5,600= $33,200

Taxable Estate Range				
Minimum	Maximum	Base Taxes Paid	Marginal Rate	Rate Threshold
$840k	$1.04M	$ 27,600	5.6%	$840k

MA Death Tax Examples

Example 2: Estate < $1M, but Gifts require an estate tax return

- Form 706 Line 3: $200,000
- Form 706 Line 4: $800,001
- Total of Lines 3 and 4: $1,000,001 (greater than $1M)
- Taxable Estate: $200,000 - $60,000 = $140,000
- Marginal Rate: 1.6%
- Rate Threshold: $90,000
- Base Taxes Paid: $400
- Death Tax: $400 + ($140,000 - $90,000) * 0.016 = $400 + $800 = $1200

Taxable Estate Range				
Minimum	Maximum	Base Taxes Paid	Marginal Rate	Rate Threshold
$90k	$140k	$ 400	1.6%	$90k

MA Death Tax Examples

Example 3: Made it by the skin of your teeth

- Form 706 Line 3: $555,555
- Form 706 Line 4: $444,444
- Total of Lines 3 and 4: $999,999
- Taxable Estate: $0   (no Estate Tax Return required)

MA Estate Tax Legislation

- New legislation submitted again this year in House to modify existing law
  - HD 2896 (R): Sets "exemption" at $2.75M indexed for inflation (plus primary residence value)
  - H 4210 (D) from 2018: (may get re-submitted in 2019 in similar form)
    - Lower estate tax rates significantly for Taxable Estates under $7M
    - Includes taxable gifts in last 3 years of life
- Sen Adam Hinds is Chair of Revenue Committee
  - He is key to getting legislation out for public comment and a vote
  - So if you want Estate Tax reform, contact his office as well as your representative

Social Security Considerations

- This is for Rich K – Congratulations!!!!

Old Age Retirement – Basic Worker Benefit

- Adjust earnings for each year by average wage for year you turn 60 divided by the average wage for each prior year, add highest 35 yrs and divide by 35 yrs (420 mo) for Average Indexed Monthly Earnings (AIME)
  - $AIME = (\sum_{35\_yrs} \frac{Avg\ Wage_{60}}{Avg\ Wage_{yr\_i}} *\ Act\ Wage_{yr\_i})/420$
  - Two bendpoints (BP_1, BP_2) used to apply fixed factors (percentages) to
    - Bendpoints change each year (for 2019: $926 and $5583)
  - PIA = 90%* (AIME<BP_1) + 32%* AIME (>BP_1 & <BP_2) + 15%*(AIME>BP_2)
    - BP_1 is the driver for WEP adjustment for non-Soc Sec earnings-based pension
- Full Retirement Age: currently 66, steps up to 67 from birth year 1955-1960
  - FRA Payment (PIA – Primary Insurance Amount) decreased by 25% at 62 (5/9 per mo for 1st 3 years early, 5/12 per mo after that)
  - Payment increased by 32% (for FRA =66) at age 70 (2/3% per mo); no increase after age 70

Spousal Benefit

- Spousal Benefit based on your PIA (decreased if spouse claims early)
  - Worker must file for Social Security for spouse to get benefit
  - Spousal Benefit does not adjust upward for delayed retirement credits
  - Spouse gets GREATER of their Soc Sec pmt or ½ of yours
    - If born after Jan 1, 1954, no more File and Suspend → You must collect for spouse to receive Spousal benefit

- Ex-spouse (≥ 62, married ≥ 10 yrs, currently unmarried or got remarried after age 60)
  - Spousal benefit based on <u>their</u> age and <u>your</u> current work record
  - If you are not collecting Soc Sec, add'l reqt: divorced from you ≥ 2yrs

Worker and Spouse Filing Rules

- "Deemed" Filing
  - When you file for benefits you are "deemed" to be filing for all the benefits you are entitled to (and you get the maximum)
    - You cannot select whether to get your own benefit or your spousal benefit, UNLESS…
- Restricted Application (both born < Jan 2, 1954 and reached FRA)
  - Other spouse must be receiving SS benefits or "suspended" benefits
  - You can select to receive lower spousal benefit now and allow your own benefit to increase with delayed retirement credits
- Add'l Restricted Application benefits if also "suspended" < Apr 30,2016
  - Not covered tonight, because "water under the bridge"

Survivor Benefits

- Survivor Benefits
  - Surviving Spouse (and ex-spouse) payments:
    - Can start at age 60: based on worker's full payment (or PIA at FRA if died before claiming benefits) – 70% at age 60, 100% at FRA – No benefit for waiting beyond FRA
    - Start at any age if unmarried and caring for covered child under 16 (ex-spouse also) – 75%
    - Between 50-59 if disabled surviving spouse – 71.5% up to age 60, then regular survivor benefits
  - Surviving Spouse can file "Restricted Application" (no birth date limit)
    - Take reduced payments starting as early as age 60 (survivor benefit) or 62 (own benefit)
    - Change to other benefit when maximized (FRA for survivor benefit or 70 for own benefit)
  - Surviving Child (<18 or <19 if still in high school)
    - 75% of worker's full payment amount
- Family Maximum
  - 1.5 – 1.8 x worker's full payment amount

WEP and GPO

- Windfall Elimination Provision – affects only worker's benefit
  - Workers who have both SS-taxed earnings and non-SS taxed earnings
  - $PIA = 90\%* (AIME<BP_1) + 32\%* AIME (>BP_1 \,\&\, <BP_2) + 15\%*(AIME>BP_2)$
    - BP_1 ($926 in 2019) is the driver for WEP adjustment for non-Soc Sec earnings-based pension
  - Soc Sec benefit designed to replace more of lower earner's income than higher earners
  - WEP attacks the high replacement factor
    - ≤20 years of substantial SS earnings: 90% factor reduced to 40% ($463/mo reduction)
    - Factor increases by 5% for every year > 20 years of substantial SS earnings
    - ≥30 years of substantial SS earnings, no reduction of 90% factor
- Government Pension Offset – affects spouses and widow(er)s
  - Social Security benefit reduced by 2/3 of Govt pension – down to 0

Social Security Claiming Considerations

- Lots of talk about maximizing Social Security benefits
  - Straight break-even points:
    - Age 62 vs. 66: Break-even at age 78
    - Age 62 vs. 70: Break-even at age 80 ½
    - Age 66 vs. 70: Break-even at age 82 ½
- "I paid in…I want to get as much as possible out of them."
- Real Goal: What's the best strategy to meet YOUR financial goals with the least amount of "risk"

Social Security Claiming Considerations

- Many considerations:
  - Goals for your money (spend-down vs. legacy vs. risk aversion)
  - Early Social Security income stream or loss of earnings on investments (if wait to claim)
    - What's the tradeoff? Have to figure individually
    - If economy bad, may not want to withdraw from investments early in retirement
  - Married vs. single (survivor benefit based on full retirement payment)
  - Other sources, types of income vs expenses (fixed, discretionary)
    - Pension or annuity payments (end at death?) vs. savings vs. add'l earnings
    - Tax-free vs. tax-deferred vs. taxable savings / investments
      - Tax-free income (e.g. Roth IRA/401(k)) doesn't figure into taxable Soc Sec benefits
      - Income from taxable accounts limited to interest, dividends, and capital gains/losses
  - WEP and/or GPO effects
  - Taxation – how much you actually get to keep each year
    - Especially important if in / near bands where additional income causes more Soc Sec benefits to be taxed.

Social Security Claiming Considerations

- Goals for your money
  - Spend-down
    - No one to leave it to (or want to leave it to)
    - Like to travel, see the world, especially while young and (hopefully) healthy
    - Start a new business or hobby that has high startup and/or ongoing costs
  - Leave a Legacy
    - To family or a charity
    - Grandchildren for college or other endeavors (high-cost activities)
    - Something to be passed on from generation to generation
  - Risk Aversion
    - Safety net for unplanned expenses or loss of income
    - Worried about pension or Social Security, healthcare costs, long-term care
    - There's Math Risk and Perception Risk
      - Don't take more risk than you're comfortable with – sleep at night

Social Security Claiming Considerations

- Social Security Income Stream vs. Investments
  - If claim early, locked into a lower income stream, but delay withdrawals from retirement savings
    - In the long run (example later), likely end up drawing more from savings than by delaying
      - BUT… you also delay risk of poor economy eating too far into savings early in retirement
    - Have to consider your individual case
      - Married with similar incomes → maybe delay highest one
        - Survivor benefits are the full retirement payment
      - Married with disparate incomes → really depends on “guaranteed” income stream vs fixed expenses
      - Married, but large age difference (like me) → maybe younger spouse works to get older spouse to age 70 → again it depends on income stream vs fixed expenses and maybe hobbies / business

Social Security Claiming Considerations

- Other sources / types of income vs. expenses
  - Pensions, annuities providing sufficient funds for lifestyle?
    - Lifestyle flexibility after fixed expenses are met or certain high-cost activities in fixed timeframe (e.g. children's wedding, major home upgrade or moving to more expensive area)
  - Tax-free vs. tax-deferred vs. taxable savings / investments
    - Income from pensions, traditional IRAs, interest (including tax-exempt interest), dividends, **capital gains** on stocks or other investments (land, 2nd home, rental property), rental and business income all count toward Social Security taxation
      - In low tax brackets (10%, 12%, capital gains taxed at 0%), BUT…
      - If they push your income over the threshold, Social Security gets taxed at 10 or 12%
    - Roth IRAs do **<u>not</u>** count toward Social Security taxation (currently – sorry young folks)
      - May consider moving some tax-deferred investments to Roths (see why later)

Social Security Claiming Considerations

- WEP Considerations
  - If you have <30 years of SS-taxed earnings and also have a pension on non-SS-taxed earnings, you may be subject to WEP
    - If you’re young enough and have even a part-time job with SS-taxed earnings, you can reduce the WEP reduction by continuing to work
      - May be a reason to delay (maximum WEP reduction in 2019 is $463/month)

- GPO Considerations
  - If lower earning spouse has a pension from non-SS-taxable earnings, the GPO may wipe out any survivor benefit
    - So maximizing survivor benefit may not be a reason to delay taking Social Security

Social Security Claiming Considerations - Taxation

- Taxation
  - Especially important if in/near bands where additional income causes more Social Security benefits to be taxed.
    - Thresholds below compared to "Provisional Income" + ½ Social Security Income
    - Provisional income = ~ Gross income + Tax-Exempt Income (not Roth account income)

	Up to 50% of Benefits Taxed	Up to 85% of Benefits Taxed
Single	\$25,000 - \$34,000	over \$34,000
Married	\$32,000 - \$44,000	over \$44,000

  - 50% Band: If you add \$100 of Provisional Income, you pay tax on that \$100 plus you pay tax on an additional \$50 of Social Security income
  - 85% Band: If you add \$100 of Provisional Income, you pay tax on that \$100 plus you pay tax on an additional \$85 of Social Security income UNTIL ALL OF YOUR SOC SEC INCOME IS TAXED AT 85%
  - So these are the ranges where it's important to consider Income Sources

Social Security Claiming Considerations - Taxation

- So if you're in those ranges:
  - In a 10% bracket, effective tax is between 15-18%
  - In a 24% bracket, effective tax is between 36-43%

- A couple of examples for the range where additional Provisional Income causes more Social Security benefits to be taxed:

  - MFJ: Soc Sec Income: $30,000, Provisional Income: $17,000 - ~$52,000
  - MFJ: Soc Sec Income: $40,000, Provisional Income: $12,000 - ~$57,000
  - MFJ: Soc Sec Income: $50,000, Provisional Income: $7,000 - ~$62,000

  - Single: Soc Sec Income: $20,000, Provisional Income: $15,000 - ~$38,700
  - Single: Soc Sec Income: $25,000, Provisional Income: $12,500 - ~$41,200
  - Single: Soc Sec Income: $30,000, Provisional Income: $10,000 - ~$43,700

Social Security Claiming Considerations

Basic MFJ example for illustration only

PIA	Total Income	Retire Age	SS Claim Age	Age at End of Life	W/D from Savings	SS Benefits Rec'vd	Total Taxes Paid
$40,000	$80,000	62	62	80	$900k	$540k	$96k
$40,000	$80,000	62	66	80	$880k	$560k	$82k
$40,000	$80,000	62	70	80	$912k	$528k	$75k
$40,000	$80,000	62	62	85	$1.150M	$690k	$110k
$40,000	$80,000	62	66	85	$1.080M	$760k	$93k
$40,000	$80,000	62	70	85	$1.048M	$792k	$73k
$40,000	$80,000	62	62	90	$1.400M	$840k	$149k
$40,000	$80,000	62	66	90	$1.280M	$960k	$152k
$40,000	$80,000	62	70	90	$1.184M	$1.056M	$79k

Investment Earnings Gains/Losses for Waiting until Age 70 to Claim Soc Sec*

- Age 80: Investment Diff: @6%: -$18k @8%: -$25k
- Age 85: Investment Diff: @6%: $28k @8%: $50k
- Age 90: Investment Diff: @6%: $115k @8%: $190k

*Assumes a constant return on investment

Social Security Claiming Considerations

Basic MFJ example for illustration only

PIA	Total Income	Retire Age	SS Claim Age	Age at End of Life	W/D from Savings	SS Benefits Rec'vd	Total Taxes Paid
$40,000	$80,000	66	66	80	$560k	$560k	$74k
$40,000	$80,000	66	70	80	$592k	$528k	$39k
$40,000	$80,000	66	66	85	$760k	$760k	$101k
$40,000	$80,000	66	70	85	$728k	$792k	$46k
$40,000	$80,000	66	66	90	$960k	$960k	$152k
$40,000	$80,000	66	70	90	$864k	$1.056M	$79k

Investment Earnings Gains/Losses for Waiting until Age 70 to Claim Soc Sec*

- Age 80: Investment Diff: @6%: $25k @8%: $37k
- Age 85: Investment Diff: @6%: $106k @8%: $155k
- Age 90: Investment Diff: @6%: $215k @8%: $330k

*Assumes a constant return on investment

- BUT…Start off with Bear Mkt like 2008, strategies are mixed (claiming 4 yrs after retire played out best)

The End

- If you’re still awake – THANK YOU!!!
- If you’re asleep – I apologize!!!