

Social Security Planning Analysis



Prepared For

Jane N.

September 2, 2024

Prepared By **Vitaly Novok**

Fiduciary Financial Advisor

Lestna Retirement

444 N Michigan Ave. Ste. 1200

Chicago, IL 60611

312-971-7071

vitaly@lestna.com



LESTNA RETIREMENT

Introduction

As you will see, the lifetime value of Social Security can vary greatly depending on when you decide to claim benefits. When your only interest is maximizing Social Security benefits, there is usually one optimal claiming scenario that can provide the most benefits based on the assumptions you enter. However, it is also important to consider your own personal circumstances — your need for income, your health status and life expectancy, and your other resources such as retirement and investment accounts — when deciding when to claim Social Security. This report should therefore be viewed within the context of your overall retirement income plan.

Key Terms

Benefit. If you or your spouse paid Social Security taxes for at least ten years, you become entitled to a monthly retirement benefit. The benefit amount is based on your earnings, as applied to a formula, and the age at which you claim.

Full retirement age (FRA). This is the age at which you may claim full, unreduced Social Security benefits. Certain strategies, such as suspending benefits to earn delayed credits, and filing a restricted application for spousal benefits, can only be done at full retirement age or later.

Year of Birth	Full Retirement Age
1943–54	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 and later	67

Primary insurance amount (PIA). Your estimated benefit as shown on this report is based on the PIA you provided. Your PIA is the amount you would receive if you were to claim your benefit at your full retirement age. Each person’s PIA is determined by the Social Security Administration at age 62. It is based on an average of your highest 35 years of earnings as applied to a formula. Please note that until you actually apply for Social Security, your exact PIA is unknown. The estimate you received from Social Security via your statement or the Retirement Estimator could change based on your continued earnings (or lack thereof) and future cost-of-living adjustments.

Reductions or credits based on claiming age. If you file for Social Security before FRA, your benefit will be some fraction of your PIA. If you file after FRA, your benefit will include delayed credits. These reductions and credits are based on your FRA and are prorated monthly. Once the reductions or credits are applied, your benefit amount is permanent, affected only by cost-of-living adjustments and additional earnings. That is, if you file at 62 and receive a reduced benefit, it will not go up when you turn FRA.

If your full retirement age is 66:

Filing Age	Benefit = % of PIA
62	75
63	80
64	86.7
65	93.3
66	100
67	108
68	116
69	124
70	132

If your full retirement age is 67:

Filing Age	Benefit = % of PIA
62	70
63	75
64	80
65	86.7
66	93.3
67	100
68	108
69	116
70	124

Cost-of-living adjustments (COLAs). Each year there is a rise in the Consumer Price Index (CPI-W), Social Security benefit amounts are increased to keep up with inflation. The cost-of-living adjustment varies each year, and it is impossible to know what future COLAs will be. To give you an idea of how your benefit might keep up with inflation, this report assumes a fixed COLA in the years ahead. Naturally, the benefit amounts shown in this report will be different if the actual COLAs vary from the assumptions used here.

Real vs. nominal values. If this report shows benefits escalating each year with cost-of-living adjustments (COLAs), you are looking at “nominal” values — that is, the actual, inflation-adjusted benefits you are projected to receive in the future based on the COLA assumption used. If benefits remain constant from year to year, you are looking at “real” values — that is, all amounts are expressed in today’s dollars. We have made the selection to show real or nominal values depending on how the rest of your retirement income plan is being analyzed.

Life expectancy. Social Security benefits continue for life. A key purpose of this report is to put your Social Security benefits in perspective by estimating the amount of benefits you stand to receive over your lifetime based on claiming decisions you make in your 60s. Your life expectancy is therefore a key assumption in this report.

Description	Life Expectancy
Male, much shorter than average	76
Male, shorter than average	80
Male, average	84
Male, longer than average	88
Male, much longer than average	92
Female, much shorter than average	78
Female, shorter than average	83
Female, average	87
Female, longer than average	91
Female, much longer than average	96

See [LivingTo100](#) for a more accurate estimate of your individual life expectancy. Naturally, if your actual life expectancy differs from the assumption used in this report, your lifetime benefits will be different from the amounts shown here.

Survivor benefits. If your former spouse has died, and if you were married over ten years, and if you are either currently unmarried or you remarried after age 60, you may be eligible for survivor benefits based on your former spouse’s work record. As with divorced-spouse benefits, coordinating survivor benefits with your own retirement benefit or any other spousal benefits you may be entitled to can be complicated. But doing so may enhance your lifetime benefits.

Comparison of Scenarios

Client Info

Jane N.
Marital status: **Widowed**
Current age: **60** (8/29/1964)
Life expectancy: Jane **91**.
PIA @ FRA: Jane **\$2,750**
Decedent born **7/24/1955**, died **Jul 2023** at age **68**
Survivor estimate from SSA: **\$3,300**.

COLA: 2%

Scenarios

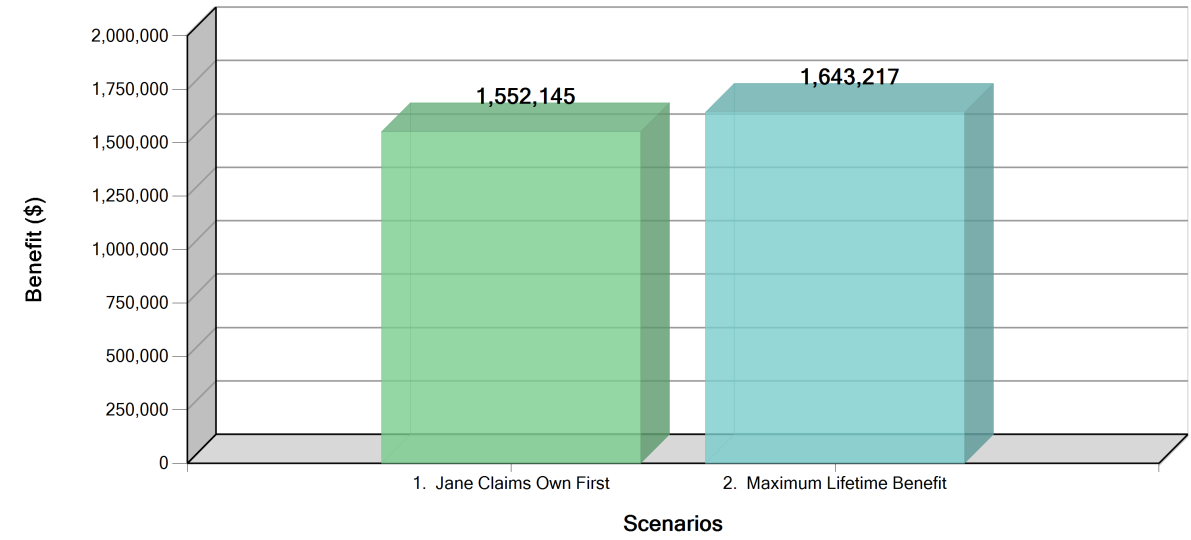
1. Jane Claims Own First

Claim **Sep 2026**, starts **Oct 2026**
Jane claims own benefit at age **62** starting at **\$2,015**.
Claim **Aug 2031**, starts **Sep 2031**
Jane claims survivor benefit at age **67** starting at **\$3,791**.
Lifetime benefit: \$1,552,145.

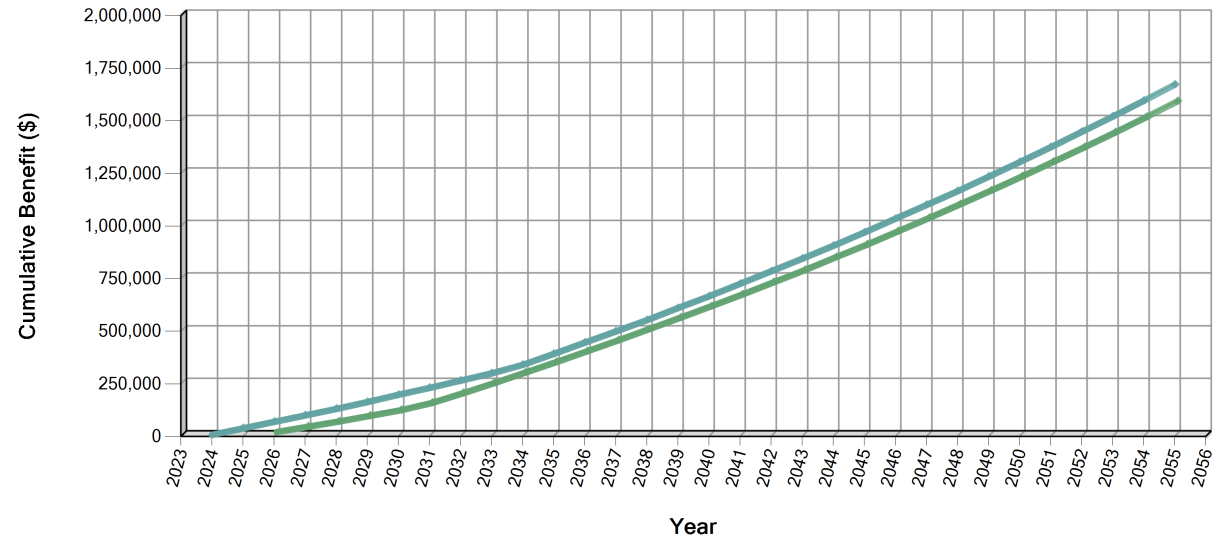
2. Maximum Lifetime Benefit

Claim **Sep 2024**, starts **Oct 2024**
Jane claims survivor benefit at age **60** starting at **\$2,382**.
Claim **Aug 2034**, starts **Sep 2034**
Jane claims own benefit at age **70** starting at **\$4,157**.
Lifetime benefit: \$1,643,217.

Cumulative Benefit



Cumulative Benefit Comparison



Jane Claims Own First

Claim **Sep 2026**, starts **Oct 2026**

Jane claims own benefit at age **62** starting at **\$2,015**.

Claim **Aug 2031**, starts **Sep 2031**

Jane claims survivor benefit at age **67** starting at **\$3,791**.

Lifetime benefit: \$1,552,145.

Year	Jane Jan 1 Age	Own Benefit	Survivor Benefit	Monthly Income	Jane Total	Lifetime Total
2026	61	6,044	0	0 / 2,015	6,044	6,044
2027	62	24,660	0	2,055	24,660	30,704
2028	63	25,153	0	2,096	25,153	55,857
2029	64	25,656	0	2,138	25,656	81,513
2030	65	26,169	0	2,181	26,169	107,682
2031	66	17,795	15,163	2,224 / 3,791	32,958	140,640
2032	67	0	46,398	3,866	46,398	187,038
2033	68	0	47,326	3,944	47,326	234,363
2034	69	0	48,272	4,023	48,272	282,635
2035	70	0	49,238	4,103	49,238	331,873
2036	71	0	50,222	4,185	50,222	382,095
2037	72	0	51,227	4,269	51,227	433,322
2038	73	0	52,251	4,354	52,251	485,574
2039	74	0	53,296	4,441	53,296	538,870
2040	75	0	54,362	4,530	54,362	593,232
2041	76	0	55,450	4,621	55,450	648,682
2042	77	0	56,559	4,713	56,559	705,240
2043	78	0	57,690	4,807	57,690	762,930
2044	79	0	58,844	4,904	58,844	821,774
2045	80	0	60,020	5,002	60,020	881,794
2046	81	0	61,221	5,102	61,221	943,015
2047	82	0	62,445	5,204	62,445	1,005,460
2048	83	0	63,694	5,308	63,694	1,069,154
2049	84	0	64,968	5,414	64,968	1,134,122
2050	85	0	66,267	5,522	66,267	1,200,390
2051	86	0	67,593	5,633	67,593	1,267,982
2052	87	0	68,945	5,745	68,945	1,336,927
2053	88	0	70,323	5,860	70,323	1,407,250
2054	89	0	71,730	5,977	71,730	1,478,980
2055	90	0	73,165	6,097	73,165	1,552,145
		125,477	1,426,667		1,552,145	

Maximum Lifetime Benefit

Claim **Sep 2024**, starts **Oct 2024**

Jane claims survivor benefit at age **60** starting at **\$2,382**.

Claim **Aug 2034**, starts **Sep 2034**

Jane claims own benefit at age **70** starting at **\$4,157**.

Lifetime benefit: \$1,643,217.

Year	Jane Jan 1 Age	Own Benefit	Survivor Benefit	Monthly Income	Jane Total	Lifetime Total
2024	59	0	7,146	0 / 2,382	7,146	7,146
2025	60	0	29,154	2,430	29,154	36,300
2026	61	0	29,737	2,478	29,737	66,038
2027	62	0	30,332	2,528	30,332	96,370
2028	63	0	30,939	2,578	30,939	127,309
2029	64	0	31,558	2,630	31,558	158,866
2030	65	0	32,189	2,682	32,189	191,055
2031	66	0	32,833	2,736	32,833	223,888
2032	67	0	33,489	2,791	33,489	257,377
2033	68	0	34,159	2,847	34,159	291,536
2034	69	16,627	23,228	2,904 / 4,157	39,855	331,391
2035	70	50,879	0	4,240	50,879	382,270
2036	71	51,896	0	4,325	51,896	434,166
2037	72	52,934	0	4,411	52,934	487,101
2038	73	53,993	0	4,499	53,993	541,094
2039	74	55,073	0	4,589	55,073	596,167
2040	75	56,174	0	4,681	56,174	652,341
2041	76	57,298	0	4,775	57,298	709,639
2042	77	58,444	0	4,870	58,444	768,083
2043	78	59,613	0	4,968	59,613	827,695
2044	79	60,805	0	5,067	60,805	888,500
2045	80	62,021	0	5,168	62,021	950,521
2046	81	63,261	0	5,272	63,261	1,013,783
2047	82	64,527	0	5,377	64,527	1,078,310
2048	83	65,817	0	5,485	65,817	1,144,127
2049	84	67,134	0	5,594	67,134	1,211,261
2050	85	68,476	0	5,706	68,476	1,279,737
2051	86	69,846	0	5,820	69,846	1,349,583
2052	87	71,243	0	5,937	71,243	1,420,825
2053	88	72,668	0	6,056	72,668	1,493,493
2054	89	74,121	0	6,177	74,121	1,567,614
2055	90	75,603	0	6,300	75,603	1,643,217
		1,328,453	314,764		1,643,217	

How to claim your Social Security benefits

The scenarios shown in this report indicate the age at a person might claim his or her retirement benefit.

How to file. The easiest way to file for Social Security benefits is online. Go to ssa.gov and click on “Retirement” and click on “Apply for Retirement Benefits.” The application is self-explanatory.

You may file by phone: 800-772-1213.

If you would prefer to file in person at a local office, you can reduce wait times by making an appointment. Call 800-772-1213. [Note: Survivor benefits must be applied for in person.]

Once your application has been processed, you will receive a benefit verification letter showing the amount of your benefit and the date it will start. Check it to be sure your application was processed correctly.

This report is for informational purposes only. The purpose of the report is to educate and give general guidance to help craft a personalized approach to taking Social Security. The use of different assumptions, particularly life expectancy, could change the outcome. It is therefore important for you to consider a wide variety of factors and decide for yourself when is the optimal time to claim Social Security. Taxes are not incorporated. If your modified adjusted gross income is over a certain threshold, up to 85% of your Social Security benefits may be reportable as income on your federal income tax return. The estimates in this report do not account for taxes. Please see your tax advisor for more information. Lestna Retirement does not assume any liability or responsibility to any person or entity with respect to any loss or damage caused by information contained in this report.