



Learn the Basics of When and How to Claim Social Security





**Interactive
experience**

**Strategies,
tools and tips**



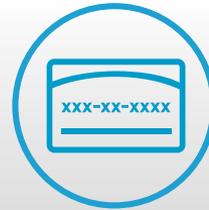
Key questions



How will you generate income?



How will you pay for health care?



How and when will you claim Social Security?



How will you generate income once you stop working?



Income in retirement

- Social Security
- A pension
- Rental property
- Other sources



Ensure your money lasts

- Create a budget
- Check your financial readiness
- Make adjustments

The “good stuff”

Time

You own it

You control it

You need to fill it



Family and Friends

Engage in more activities

Reconnect with old friends

Spend more time with grandchildren



Pursue Dreams

Make a difference

Learn something new

Start a new career



The “not-so-good stuff” (some drawbacks)

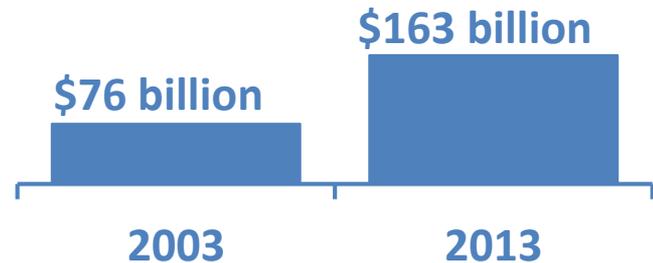
The “Club Sandwich”

47% Middle-aged adults support a parent and a minor or adult child—or grandchild¹



Debt Remains a Factor

114% Increase in debt²



¹ McKinsey & Company, 2013.

² Wall Street Journal, Feb. 16, 2017, www.wsj.com.

The **five** key risks to your retirement

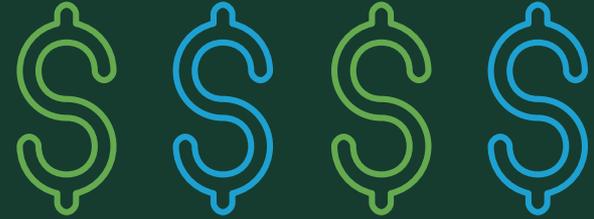
- 1 Longevity
- 2 Health care expenses
- 3 Inflation
- 4 Asset allocation
- 5 Excess withdrawal



How will you pay for health care?



Costs are rising



Plan for these expenses in retirement

Risk 2 Health care expenses

\$260,000

Out-of-pocket health care expense estimate for a 65-year-old couple*

- Medicare is not free
- Supplemental health insurance is generally needed
- Rx costs may be significant
- Long-term-care coverage is additional

Asizeable amount of savings may be needed for health care in retirement.

• 2015 Fidelity analysis performed by its Benefits Consulting group. Estimate based on a hypothetical couple retiring in 2015, 65 years old, with average life expectancies of 85 for a male and 87 for a female. Estimates are calculated for “average” retirees, but may be more or less depending on actual health status, area of residence, and longevity. The Fidelity Retiree Health Care Costs Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government’s insurance program, Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care. Life expectancies based on research and analysis by Fidelity Investments Benefits Consulting group and data from the Society of Actuaries, 2014.



How and when will you claim Social Security?

Things to consider:



Age



Life Expectancy



Gender



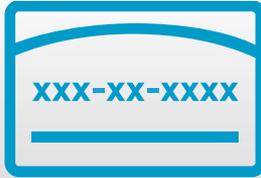
Marital Status



Income



What is Social Security?



There's a good chance you've paid into Social Security



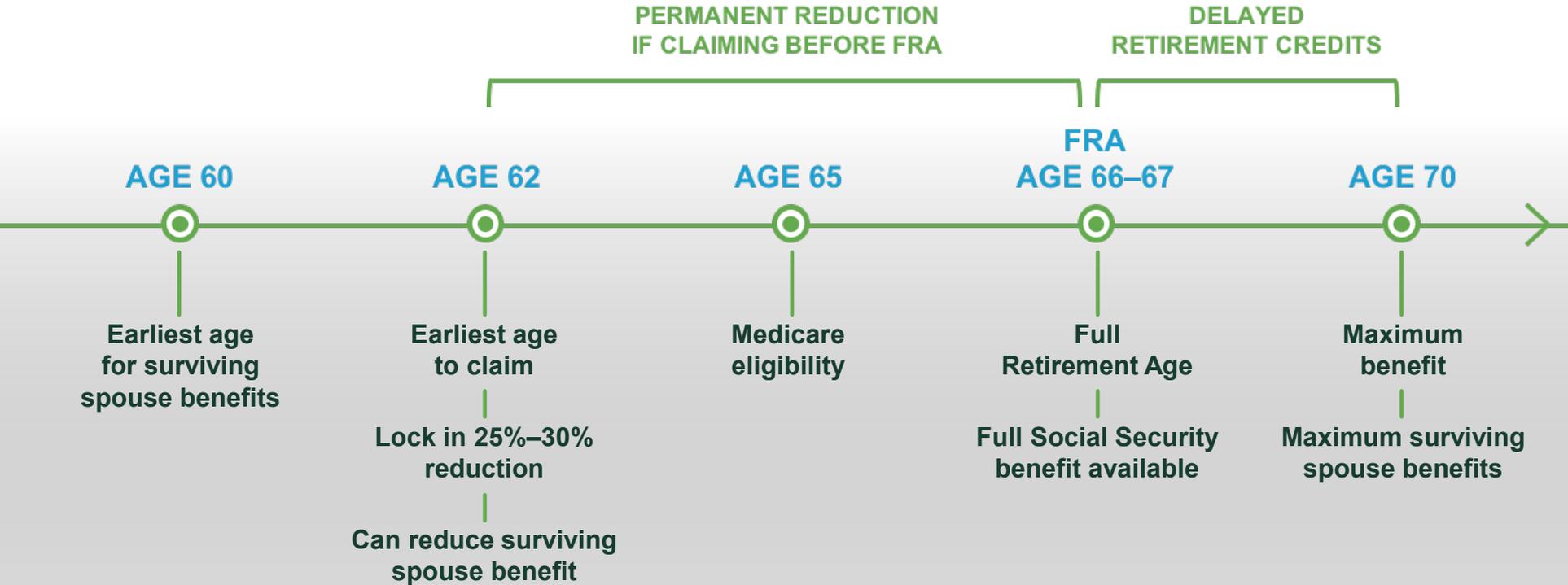
Social welfare and insurance program



Pays benefits



Important ages





Full Retirement Age

If you were born in...	Your full retirement age is...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years



How Social Security Works





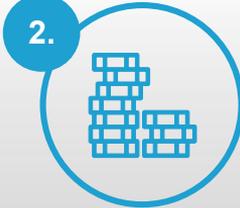
Qualifying for Social Security

1.



You worked for a
“covered” employer

2.



You earned at
least 40 “credits”

3.



Age 62



You worked for a “covered” employer

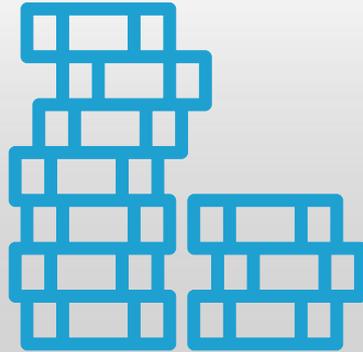




You earned at least 40 “credits”

2.

One credit is earned
for a certain dollar
amount of wages



You can earn up
to 4 credits per year
(1 per quarter)



You earned at least 40 “credits”

10

YEARS

x

4

CREDITS

=

40

CREDITS



QUALIFY FOR SOCIAL SECURITY





You are at least age 62

Claiming early =
benefit reduction

3.



Full Retirement Age
ranges from age 66–67



How is your benefit calculated?



**Claim Social Security
between ages 62–70**



**Calculation based on
Full Retirement Age**



**Claiming early will
result in reduced benefit**



**Waiting to claim will
result in higher benefit**



Full Retirement Age

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Ways to claim



**Your own
work record**



**A spouse's work record
(current or ex-spouse)**



**A deceased spouse's
work record**



Spousal benefits



At least
age 62



Spouse receiving
benefits



Qualify for Medicare
at age 65



Claiming spousal benefits



Current or former spouse of worker



Worker must be taking Social Security first



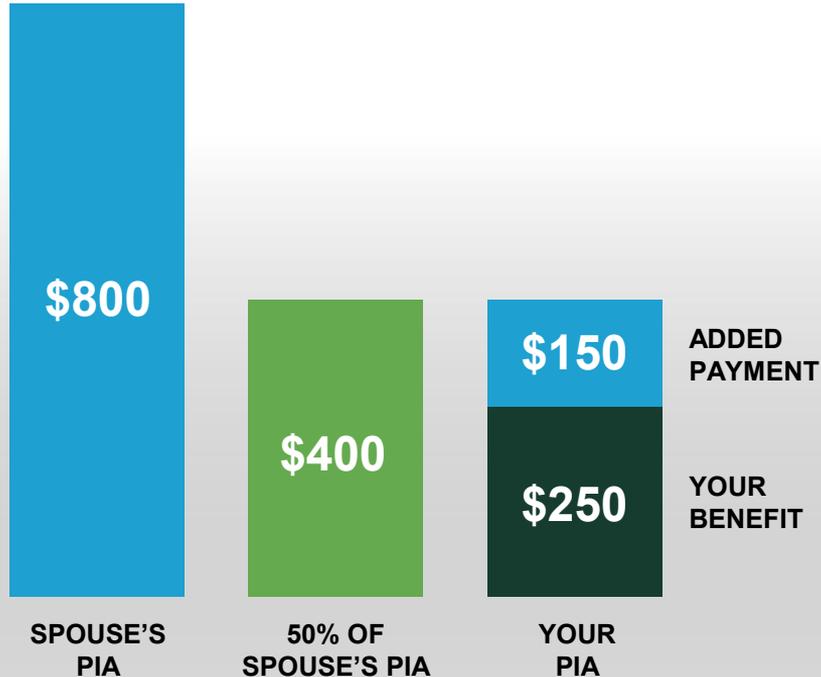
At Full Retirement Age, spouse qualifies for 50% of the benefit



Social Security Administration's website



You have a work record and a current spouse



total benefit cannot exceed

50%

of your spouse's primary insurance amount (PIA)



Claiming on an ex-spouse's work record



**Marriage for
10 years**



**You have not
remarried**



**Both eligible for
Social Security**



**Divorced two or
more years**



Estimating your Social Security benefit



**Average of
your 35 highest-
earning years**



**Age when
your payments
begin**



**View statement
and estimate your
benefit at [SSA.gov](https://www.ssa.gov)**



Using your benefit estimate

How much longer should I work?

Should I keep working to replace low-earning years?



Will working longer get me to 35 years of earnings?

Did I have any \$0 earning years?



Social Security benefit statement and calculation

Your Earnings Record

Year You Worked	Your Total Social Security Earnings	Your Total Medicare Earnings
1990	654	654
1991	1,592	1,592
1992	2,854	2,854
1993	4,078	4,078
1994	6,367	6,367
1995	9,923	9,923
1996	9,985	9,985
1997	13,095	13,095
1998	18,230	18,230
1999	19,252	19,252
2000	22,340	22,340
2001	24,543	24,543
2002	26,341	26,341
2003	28,472	28,472
2004	30,970	30,970
2005	33,259	33,259
2006	35,799	35,799
2007	38,342	38,342
2008	40,657	40,657
2009	43,195	43,195
2010	45,790	45,790
2011	48,768	48,768
2012	45,718	45,718
2013	Not yet recorded	

You and your family may be eligible for valuable benefits. When you die, your family may be eligible to receive survivors benefits. Social Security may help you if you become disabled—even at a young age. A young person who has worked and paid Social Security taxes in as few as two years can be eligible for disability benefits. Social Security credits you earn move with you from job to job throughout your career.

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:	Estimated taxes paid for Medicare:
You paid: \$31,322	You paid: \$7,744
Your employers paid: \$33,112	Your employers paid: \$7,744

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$117,000 of your earnings and a 1.45 percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employer and employee amounts, which is a 12.4 percent Social Security tax on up to \$117,000 of your net earnings and a 2.9 percent Medicare tax on your entire net earnings. *If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct. (Some or all of your earnings from last year may not be shown on your Statement. It could be that we still were processing last year's earnings reports when your Statement was prepared. Your complete earnings for last year will be shown on next year's Statement. Note: If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.)

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, all of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1233 (7 a.m.–7 p.m. your local time) if any earnings for years before last year are shown incorrectly. Please bring your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

Year	Earnings
2005	\$71,500
2006	\$72,800
2007	\$73,600
2008	\$75,000
2009	\$76,500
2010	\$78,000
2011	\$79,300
2012	\$81,500
2013	\$82,900
2014	\$84,210
2015	\$88,760
2016	\$91,300

Year	Earnings
2005	\$15,000
2006	\$7,500
2007	\$13,500
2008	\$16,000
2009	\$8,600
2010	\$0
2011	\$34,680
2012	\$37,300
2013	\$22,000
2014	\$15,300
2015	\$45,000
2016	\$46,300



Deciding when to claim





Impact of claiming at different ages

FULL RETIREMENT AGE





Provided by
Fidelity
INVESTMENTS

When should you claim SOCIAL SECURITY?

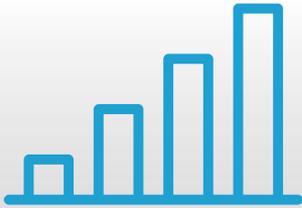
If you are 50 or over, it's a good time to start thinking about how Social Security fits into your overall plan. The right strategy could mean a significant difference in your retirement benefits, so let us show you an example of how you can get the most for your future.

I WAS BORN  MM/DD/YYYY





Waiting to claim



Larger Monthly Benefit



You are healthy



Expect to live longer



Have enough money



Plan to work until age 70

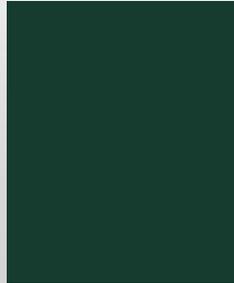


Waiting to claim



COLLEEN

\$1,200



AGE 62

\$1,600



**AGE 66
(Full Retirement Age)**

\$2,112



AGE 70

AGE

89

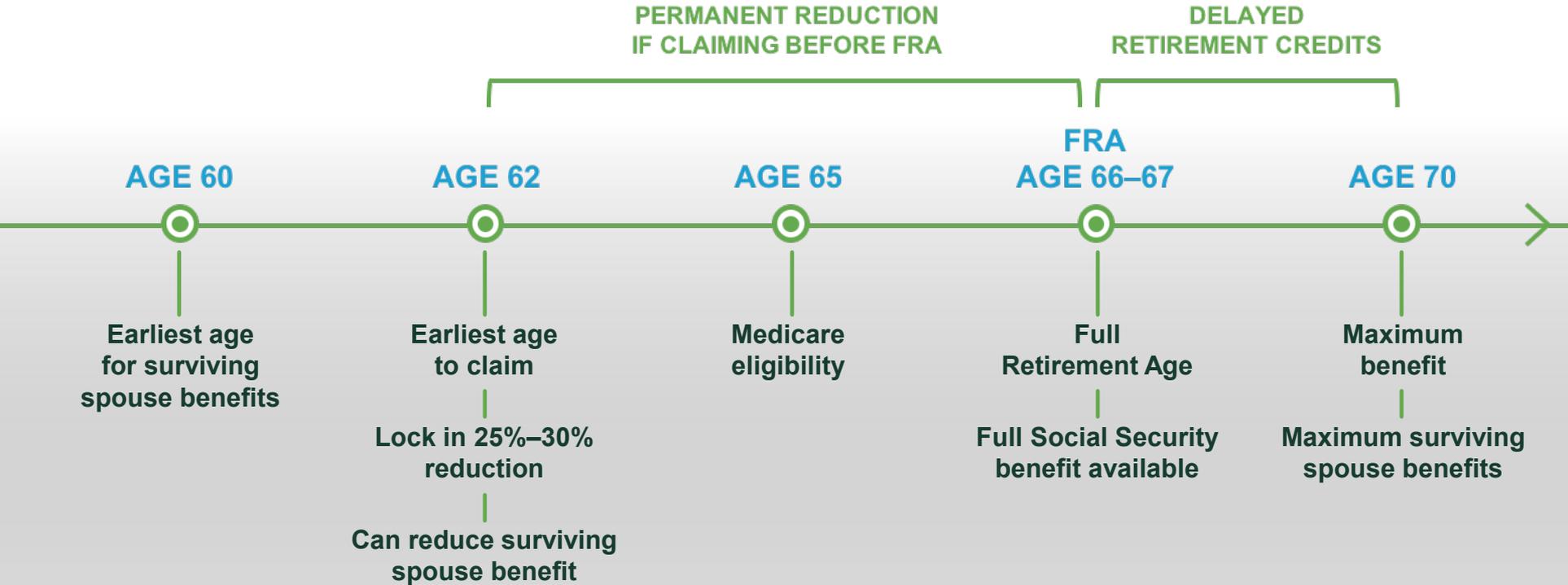
LIFETIME BENEFITS

\$38,000

All figures are in today's dollars and before tax; the actual benefit would be adjusted for inflation and would possibly be subject to income tax. The hypothetical examples were calculated by Strategic Advisers, Inc., based on Social Security payout tables, as of May 2014. Strategic Advisers, Inc., is a registered investment adviser and a Fidelity Investments company. Lifetime benefits are determined by calculating the present values of the Social Security payments over time. The present values are calculated by discounting the Social Security payouts by an inflation-adjusted rate of return. The illustrations use the historical average yield of U.S. 10-Year TIPS for discounting. All lifetime benefits are expressed in present values, calculated using an inflation-adjusted discount rate and life expectancy of 89. The numbers are sensitive to, and would change with, the discount rate and the expectancy assumptions.

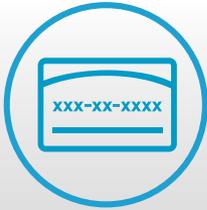


When should you claim your benefit?





Review



**Important part of
retirement income**



**Basic
eligibility**



**Spousal
benefits**



**Estimate
your benefit**



**Decide when
to claim**



Take the next steps





Next steps



Visit
[NetBenefits.com](https://www.netbenefits.com)



Estimate your benefit
[Fidelity.com/
whentoclaimSS](https://www.fidelity.com/whentoclaimSS)



Visit
[SSA.gov](https://www.ssa.gov)



Call for support
800-603-4015

Thank You!

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