



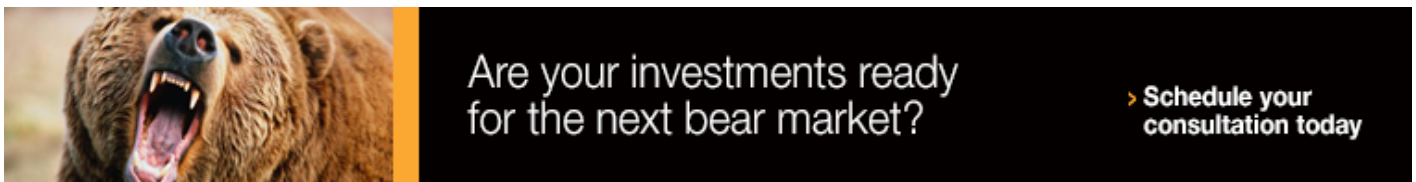
The recent Nationwide Retirement Institute• Consumer Social Security PR Study conducted by Harris Poll queried 1,315 U.S. adults aged 50 and over who collect or plan to collect Social Security benefits. Recent retirees, future retirees and those who retired in 10+ years were polled. The results of this study provide a formidable glimpse into perceptions of Social Security and how they change over time.

Here are 5 highlights for future retirees who seek to maximize benefits and understand how Social Security fits into a holistic financial plan that benefits from guaranteed lifetime income.

***Current & future retirees see Social Security as their primary source of retirement income.***

Social Security as a primary source of retirement income towers over retirement accounts like 401ks and IRAs for current, future retirees and those who retired over a decade ago. Social Security has become the primary pension for the masses. It's not an incidental benefit, or "icing on the cake," to a secure retirement journey. It is now the centerpiece, although it wasn't designed to be.

Therefore, it's a future recipient's responsibility not to succumb to fear mongering (*SS IS GOING BROKE!*) and plan objectively to get the most out of the program as it exists today. Don't shortchange lifetime family benefits by at least 25% and file for Social Security retirement benefits at age 62 unless the money is absolutely required to survive. Also, consider a non-working spouse left behind. Survivor benefits are greater if a primary wage earner waits until age 70 to claim retirement benefits.



***A third of recent and 10+ retirees say health problems are interfering with retirement.***

Poor health can quickly drain the happiness out of retirement. Thankfully, a majority of recent and 10+ retirees enjoy good health. The key is to consider health as an investment you cannot afford to ignore. Medicare included, Fidelity estimates that a couple will spend a total of \$280,000 throughout retirement for healthcare costs.

According to Dr. Steven M. Gundry, author of the revolutionary book on how to age "youthfully," [\*The Longevity Paradox\*](#), only 2% of a longevity footprint is DNA; success lies mostly in lifestyle habits. The reduction of animal proteins, an increase in good fats (like olive oil), and moderate exercise can all add healthy years to retirement. Amazingly, those who take on healthy habits later in life (50+), see an exponential increase in longevity when compared to those who started sooner! If you want to get the most out of Social Security and take advantage of greater lifetime benefits at age 70, well, you're going to need to live until age 85.

***Health problems occurred much sooner than expected for many retirees.***

Health problems appear to come out of the blue. In reality, they are decades in the making. Eight in ten 10+ retirees or 81%, say health issues occurred sooner than expected; 61% said they occurred

more than 5 years sooner than were expected.

The quality of life can be greatly enhanced if you can objectively examine and alter daily habits. Over 3 years ago, I began to re-train my brain (let's call it mental trickery), to add or subtract \$100 from my retirement accounts whenever I did something positive or negative that affected my health. Eat a burger, subtract \$100; complete a workout, add \$100. You get the picture. Now, I live in consistent debit and credit mode. It's on autopilot in my head. At the end of a week, I want to be net positive \$500. I brought the negative impact of poor health in the future into my present to monetize the pain! If you adhere to a budget, refrain from eliminating the expense of a fitness membership and get to the gym on a regular basis. Make a week's worth of healthy lunches at home and "brown bag" it. Your finances will be healthier too as opposed to spending \$7-\$10 bucks a day eating lunch out or grabbing a bite on the go.

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### ***Under a quarter of future retirees admit to not knowing which expenses might be withheld from Social Security.***

Close to half of future retirees admit they don't know what can be withheld from Social Security payments or believe nothing is withheld. Generally, Medicare Part B and D premiums are withheld from Social Security. Unfortunately, there will be years (I fear more often), when Social Security cost of living adjustments (COLA) will be 100% reduced to compensate for increases in Part B base premiums. For example, in 2020, COLA is expected to be 1.7%. Medicare Part B monthly base premiums are expected to increase to \$144.30 from \$135.50 – a 6.5% increase – which will more than offset the COLA for Social Security.

Those who pay monthly Medicare premiums out-of-pocket due to waiting until age 70 to collect larger Social Security benefits, will be subject to 100% of the increase in the Medicare premium amount in 2020. Recipients who already have their Part B premiums deducted from Social Security cannot pay more than the COLA adjustment per the Hold Harmless Provision. Eventually, those who are subject to Hold Harmless do get hit with full premium increases as future cost of living adjustments allow.

A comprehensive retirement plan should not only cover Medicare expenditures along with an appropriate rate of annual inflation (we use 4.5%), but also include out of pocket healthcare costs which take into account the possible loss of inflation adjustments for Social Security due to increases in Part B and D premium costs.

### ***Older adults underestimate how long the average 65-year-old will live.***

Older adults believe women will live to 83.7. In actuality, they will live to 89 years old. On average, men will live to be 87. Older adults think men will live to be 81.6. Longer life expectancies warrant serious consideration to postponing Social Security until age 70, especially in the face of dwindling private pensions. In other words, guaranteed income is important to the survivability of an investment portfolio comprised of variable assets like stocks and bonds. During periods of future low investment returns which already may have started, the maximization of guaranteed income options can help retirees to adjust or reduce portfolio withdrawal rates.

If a future Social Security recipient waits until age 70, monthly payments can be 32 percent higher than the benefits earned at full retirement age. Currently, full retirement age is 66 and 2 months for those born in 1955; for people born in 1960 or later, FRA is 67.

It's important to partner with a financial professional who understands the devastating impact of impetuous Social Security claiming decisions. In numerous cases, RIA Certified Financial Planners have prevented individuals from losing thousands of dollars in lifetime and survivor income benefits due to misinformation from brokers, friends with strong opinions and plain old misconceptions.

If you need a customized Social Security maximization report or a second opinion on the best claiming options for your situation, reach out to us.

We're happy to assist.