



## Plan for the future

Maximizing your Social Security benefits

**Insert Name**

Ylisa Sanford Seymour  
Sanford & Seymour  
A financial advisory practice of Ameriprise Financial Services, Inc.

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## Ameriprise today... strong and stable

- Ameriprise is **America's leader in financial planning.**<sup>1</sup>
- Ameriprise has more than **2 million** individual, business and institutional clients.<sup>2</sup>
- Ameriprise manages and administers assets<sup>3</sup> totaling more than **\$655 billion.**
- **Ameriprise has nearly 10,000 financial advisors** serving clients nationwide.<sup>3</sup>

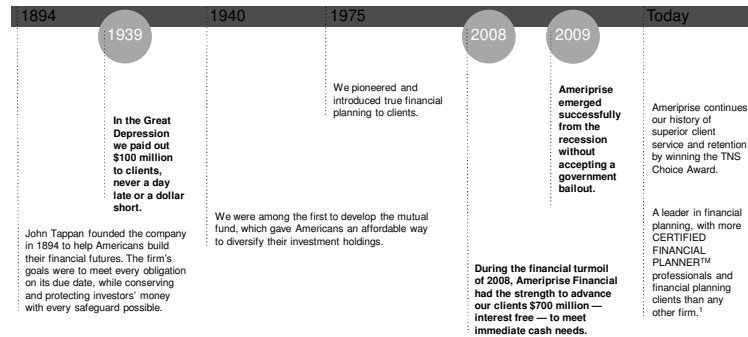


<sup>1</sup> SOURCE: Form ADV, Part 1A, Item 5, and Certified Financial Planner Board of Standards, Inc. Disclosure: Ameriprise helped pioneer the financial planning process more than 30 years ago. Our unique *Dream > Plan > Track >*<sup>®</sup> approach is about more than just numbers, it's both science and art. We have more financial planning clients and more CERTIFIED FINANCIAL PLANNER™ professionals than any other company in the U.S. based on data filed at [adviserinfo.sec.gov](http://adviserinfo.sec.gov) and documented by the Certified Financial Planner Board of Standards, Inc. as of Dec. 31, 2011.

<sup>2</sup> Source: Company data as of Dec. 31, 2010.

<sup>3</sup> Source: Ameriprise Financial Second Quarter 2012 Statistical Supplement, March 31, 2012.

## A history of helping clients feel confident



<sup>1</sup> SOURCE: Certified Financial Planner Board of Standards, Inc. and based on the number of financial planning clients SEC-registered investment advisers disclosed annually. There is no guarantee that you will work with an advisor with a CFP® certification.

## Integrated approach

Cash and Liabilities

Protection

Taxes

Investments



## Social Security

- What role does Social Security play in your retirement?
- How much can you expect to receive?
- Who is eligible to receive benefits?
- How do spousal benefits work?
- When should you begin taking Social Security?
- How does working during retirement affect your benefits?
- Are benefits available for your children?
- If you are divorced, can you qualify for benefits based upon your ex-spouse's working history?
- After applying, can you change your mind about benefits?

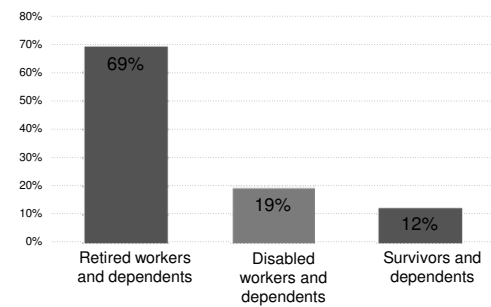


Always consult a Social Security agent regarding your specific Social Security decisions. Ameriprise Financial does not provide tax or legal advice. Consult your tax advisor or attorney.

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## Distribution of Social Security benefits

### Retirement – only part of the picture



Source: ssa.gov, 2010 Social Security Fact Sheet

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## Social Security contributions vs. payouts

Will there be enough for me?



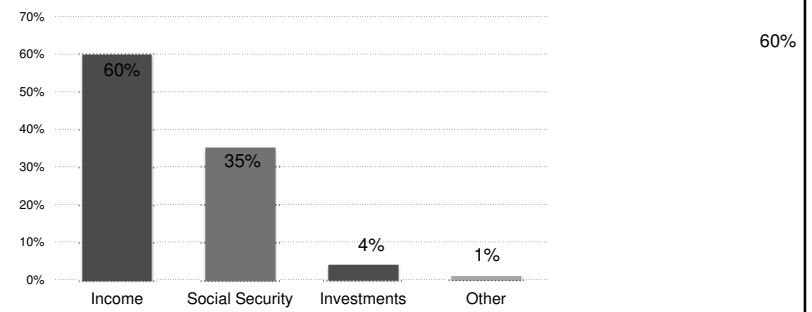
Year	1950	2010	2035
Ratio	16.5 to 1	2.9 to 1	2.1 to 1



Source: A SUMMARY OF THE 2011 ANNUAL REPORTS, Social Security and Medicare Boards of Trustees

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## Sources of income for those age 65 and older



Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, October, 2010

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## Who is eligible to receive benefits?

Generally, those who have worked 10 years and paid Social Security tax

May be eligible at age 62

Certain family members, including divorced spouse, spouse and children



Always consult a Social Security agent or attorney regarding your specific Social Security decisions.  
Source: ssa.gov

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## Calculating Social Security benefits

Your benefit

2013 maximum — \$30,396

Spouse's benefit

100% of own benefit, or 50% of spouse's, whichever is higher

Obtain an estimate

Contact the Social Security Administration or use their online calculator



Source: ssa.gov

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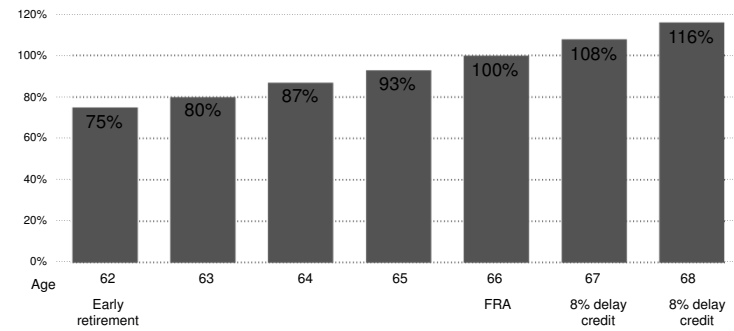
## When can I retire?

Birth year	Reduced benefit age	Full retirement age (FRA)	FRA up to 8% yearly increase
1943 – 1954	62	66	Full retirement age until age 70
1955	62	66 years, 2 months	
1956	62	66 years, 4 months	
1957	62	66 years, 6 months	
1958	62	66 years, 8 months	
1959	62	66 years, 10 months	

Source: ssa.gov

## Shelly's benefits

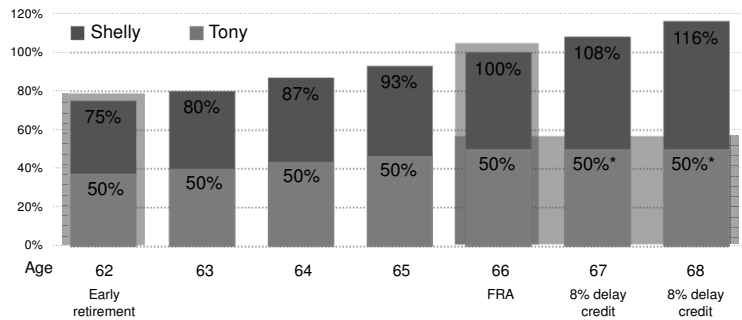
Age and percent of full benefit received



This scenario is shown for illustrative purposes only and does not represent actual clients. Actual client experiences will vary.  
Source: Social Security Administration.

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## Tony uses Shelly's benefit amount



\*Spousal benefits do not qualify for delayed retirement credits

This scenario is shown for illustrative purposes only and does not represent actual clients. Actual client experiences will vary.  
Source: Social Security Administration

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## Divorced?

### You might qualify for benefits based on your ex-spouse's earning record

- Is your ex-spouse eligible to receive benefits?
- Were you married at least 10 years?
- Are you at least age 62?
- Are you currently single?
- Are your ex-spouse's benefits greater than yours?
- If ex-spouse is not signed up for benefits, have you been divorced for at least 2 years?



Source: ssa.gov, "If you are divorced"

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## Does it pay to wait?

Steve begins receiving benefits at age 63

Bill waits until his full retirement age, 66

Age	Steve's total	Bill's total	Result
63 - 65	\$28,800	\$0	Steve — \$28,000 ahead
70	\$76,800	\$60,000	Steve — \$16,800 ahead
77	\$144,000	\$144,000	Steve and Bill break even

**Assumptions:** Steve and Bill share the same birthday, earnings history and Social Security benefits at FRA of 66 with a total benefit of \$24,000. At 63, Steve is \$16,800 ahead and will remain ahead



Steve and Bill are fictional characters. This scenario is shown for illustrative purposes only and does not represent actual clients or actual Social Security benefits. Actual client experiences will vary.  
Source: ssa.gov, Calculator

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## Does it pay to wait?

It depends

You expect to be long-lived

You don't need the money now


You have confidence in the future of Social Security



Always consult a Social Security agent or attorney regarding your specific Social Security decisions.

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Can I work and still  
receive benefits?



Source: ssa.gov

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## Working during retirement

### Medicare & Social Security tax

#### If you...

Are working at a job covered  
by Social Security — including  
self-employment

**and**

receiving Social  
Security benefits

#### Then you...

You and your employer must pay  
Social Security

**and**

Medicare taxes on  
your earnings



Source: ssa.gov

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## Working during retirement

### Income tax

Filing status	Combined income*	% of benefits taxed
Married filing jointly	\$32,000 – \$44,000	Up to 50%
	> \$44,000	No more than 85%
Individual	\$25,000 – \$34,000	Up to 50%
	> \$34,000	No more than 85%

\* The combined income calculation includes a portion of your income, tax exempt interest, and 1/2 of your Social Security benefits. Additional calculations are added into consideration the 85% rate.



Source: ssa.gov

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## Working during retirement

### 2013 earning limits

#### Full retirement age and older

- Full benefit, no matter how much is earned
- If you worked while receiving Social Security, benefit increases to account payments made during that time

#### In the year you reach full retirement age

- Earn up to \$40,080 — receive full benefit
- Earn over \$40,080 — benefit reduced \$1 for each additional \$3 earned

#### Between age 62 and full retirement age

- Earn up to \$15,120 — receive full benefit
- Earn over \$15,120 — benefit reduced \$1 for each additional \$2 earned



Source: ssa.gov

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