

Social Security Simple Breakeven Report

Prepared For

Judy Griffin

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This analysis shows your Social Security breakeven age comparing early vs. late claiming. The idea is this: If you start Social Security benefits early, you will receive more checks but the amount will be permanently reduced. The breakeven analysis shows the age at which cumulative benefits from the later claiming analysis begin to exceed cumulative benefits from the early claiming analysis. Quite simply, if you—and/or your spouse if you are married—expect to live longer than the breakeven age, you would be better off delaying the start of benefits to the later age in order to receive more total lifetime benefits.

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

Key Terms (continued)

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 (www.livingto100.com) 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.

Griffin, Judy

Scenario date: 2/18/2021

PIA: \$2,857, COLA: 2.5%

Born: 6/6/1958, age 62

Earlier claim: 2/18/2021, age 62

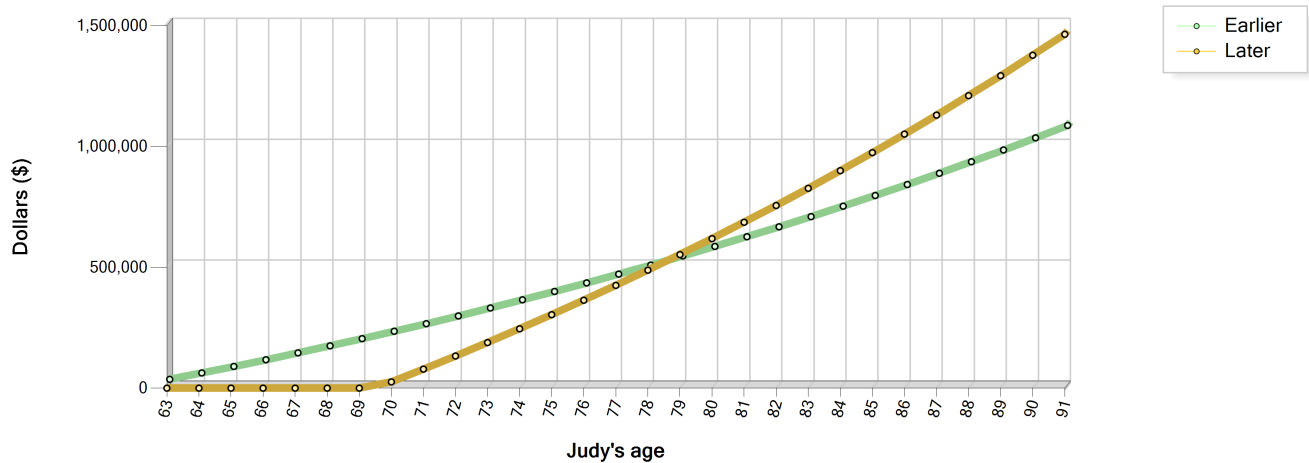
Later claim: 6/6/2028, age 70

Life expectancy: 91

Year	Judy's age @Dec 31	Judy's monthly benefit/ Age 62	Judy's annual benefit/ Age 62	Judy's cumulative benefit/ Age 62	Judy's monthly benefit/ Age 70	Judy's annual benefit/ Age 70	Judy's cumulative benefit/ Age 70
2021	63	2,143	21,430	21,430	0	0	0
2022	64	2,196	26,352	47,782	0	0	0
2023	65	2,251	27,012	74,794	0	0	0
2024	66	2,308	27,696	102,490	0	0	0
2025	67	2,365	28,380	130,870	0	0	0
2026	68	2,424	29,088	159,958	0	0	0
2027	69	2,485	29,820	189,778	0	0	0
2028	70	2,547	30,564	220,342	4,302	25,810	25,810
2029	71	2,611	31,332	251,674	4,409	52,911	78,721
2030	72	2,676	32,112	283,786	4,519	54,234	132,955
2031	73	2,743	32,916	316,702	4,632	55,590	188,544
2032	74	2,811	33,732	350,434	4,748	56,979	245,523
2033	75	2,882	34,584	385,018	4,867	58,404	303,927
2034	76	2,954	35,448	420,466	4,989	59,864	363,791
2035	77	3,028	36,336	456,802	5,113	61,360	425,151
2036	78	3,103	37,236	494,038	5,241	62,894	488,046
2037	79	3,181	38,172	532,210	5,372	64,467	552,512
2038	80	3,260	39,120	571,330	5,507	66,078	618,591
2039	81	3,342	40,104	611,434	5,644	67,730	686,321
2040	82	3,426	41,112	652,546	5,785	69,424	755,745
2041	83	3,511	42,132	694,678	5,930	71,159	826,904
2042	84	3,599	43,188	737,866	6,078	72,938	899,842
2043	85	3,689	44,268	782,134	6,230	74,762	974,604
2044	86	3,781	45,372	827,506	6,386	76,631	1,051,234
2045	87	3,876	46,512	874,018	6,546	78,546	1,129,781
2046	88	3,973	47,676	921,694	6,709	80,510	1,210,291
2047	89	4,072	48,864	970,558	6,877	82,523	1,292,814
2048	90	4,174	50,088	1,020,646	7,049	84,586	1,377,400
2049	91	4,278	51,336	1,071,982	7,225	86,701	1,464,101

Cumulative Nominal Benefit

Griffin, Judy



What this report does not include

You should know that this report has a number of limitations:

The numbers you see here are not exact. No one can ever know the exact amount of their Social Security benefit until it is actually received. But by making certain assumptions and trying out different claiming analyses, you can see how your lifetime Social Security benefits may change depending on when you claim benefits. The purpose of this report is to give you a long-term perspective on Social Security, which is one of the few sources of retirement income that continues for life.

Scenarios are not exhaustive. There are many possible claiming scenarios. This report shows you a handful of scenarios which seem appropriate based on your personal circumstances. We can run additional scenarios if you wish.

Results are based on assumptions. The key assumptions used are: 1) the primary insurance amounts as estimated by the Social Security Administration; 2) life expectancy; and 3) future cost-of-living adjustments. If any of these numbers turn out to be different from the assumptions, your actual Social Security benefit stream will be different. If you wish to use different assumptions from the ones used in this report, please let us know and we can re-run the analysis for you.

Social Security may be reformed. It is possible that the Social Security system could be reformed by Congress in the future. Possible reforms may include raising the full retirement age, changing the benefit formula, changing the formula for cost-of-living adjustments, and others. There is no way to know when or how Social Security might be reformed in the future.

This report is not suitable for married couples. Breakeven analysis is suitable for single individuals only because it does not consider survivor benefits. Our Spousal Planning Analysis is more suitable for married couples.

WEP and/or GPO may not be incorporated. If you ever worked in a job that did not pay into Social Security and you are entitled to a pension from that job, your Social Security benefit may be reduced. The applicable reduction in retirement, spousal, or survivor benefits may not be reflected in this report.

Earnings test is not incorporated. If you file for benefits before full retirement age and you work, some or all of your benefits may be withheld due to the earnings test. These reductions are not incorporated into these estimates.

Children's benefits are not included. If you have a child under 18, the child may be entitled to children's benefits. These amounts are not incorporated into this report.

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.

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. This report was generated by software developed by Horseshmouth, LLC. Neither we, nor Horseshmouth assumes any liability nor responsibility to any person or entity with respect to any loss or damage caused by information contained in this report.

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