

## The Six Step Process for a Solid S.S. Income and Retirement Solution

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Hopefully by now you have realized how critical it is to understand your claiming options. What should be clear, is that a core part of anyone's retirement strategy must be an informed and optimal approach to their Social Security (S.S.) or spousal benefits. It's essential that both spouses (if applicable) understand their estimated benefits. Especially how they are affected by the timing to claim benefits. This simple six step process must be followed to be sure you are on the right track and have all the bases covered.



**Step One:** Create your online account on the Social Security website at ([www.SSA.Gov](http://www.SSA.Gov)). This provides you and /or spouse access to an individualized "Your Social Security Statement". Get your three benefit amounts at ages 62, 66 & 70. (If you have difficulty, S.S. has phone help and yes you can talk to a real person. Get their number from the SSA.Gov web site). *FYI: Please Read Those Four Pages in the report.*



**Step Two:** These benefit amounts go in your S.S. Planning Report. One of my Social Security mentors is Dr. L. Kotlicoff, an economist, author, national expert and software designer. Dr. Kotilcoff's S.S. software is one, if not the finest designed software available today. The software's report shows the upcoming benefit reduction and its impact. This makes the planning more realistic and follows the S.S. Commission's dire warnings. His web site is [www.maximizemysocialsecurity.com](http://www.maximizemysocialsecurity.com). You can purchase his report as well as a phone consultation **(or, for the no cost route, get this report from Joe the local expert who is certified and licensed to use the program.**



**Step Three:** The core of planning is important to use **academically designed S.S. software used under a trained expert's eye who has the S.S. knowledge to help you.** Please do not use much of the free software tools that are available online. **S.S is a foundation on which you build your financial house. Get the best in design and help to build a strong foundation.** Understand the report. This is where you can try "*what if*" scenarios under a trained eye. Some alternatives may work better, so you should know about them as well. Some key take-a-ways:

- **Review how spousal benefits**( if applicable) actually work. If a couple is married for at least a year, both spouses qualify for spousal benefits!
- If divorced/widowed: pay special attention the rules that pertain to divorced/widowed persons!
- **Review the huge difference in income if one spouse passes early!**
- **Understand the impact of the coming S.S. benefit cuts!**
- **Learn the term "Means Testing"!**
- **Beware of any income shortfalls!**




**Step Four:** Integrate step three (your finalized) S.S. report/s into your Retirement Income Report. The Retirement Income Report is the house plan or blueprint that sits upon the Social


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Security foundation. This report is an easy to read, concise “map” for all your guaranteed income, Social Security and pension income.

Plug shortfalls so you can rev up your Social Security income. Coordination of other qualified retirement assets such as DB, DC 401(k) plans as well as any non-qualified assets is essential at this step. Building a financial retirement plan with a de-accumulation (distribution) specialist includes: budgeting for Health Care Expenditures (which will be huge), as well as vacation travel, living expenses, tax mitigation, estate concerns and the main retirement risks (see separate handout).

 **Step Five:** Build your optimal plan from the income report with the help of a **distribution specialist**. They must **have a strong understanding of the tax code** and how to **integrate those decisions into a sound tax mitigation plan**. Also they must know how to **determine how all the pieces fit properly** . **The Printed Report becomes your Concise and Organized Road Map**. This road map will show how other income sources fit together. (including bridge strategies to maximize benefits, reducing market down times and providing an income that you cannot outlive.)

 **Step Six:** Review annually for compliance, rule changes, changes in retirement timing, family members, health etc. Stay the course and enjoy the trip!

### Summary

Having all the pieces of retirement income fit together well is important. It makes no sense to minimize taxes when your strategy passes the burden to family at a higher level of taxes. This is what most people follow and make Uncle Sam richer. It is unfortunate that most folks do not realize that Uncle Sam is, in most cases, their biggest beneficiary.

I do not care if you have done some great planning, you are a CPA or financial advisor ; 99 percent of people get it wrong!

- They pay more taxes than necessary!
- They leave the biggest percentage of their estate to the government!
- Never truly create pension like income!
- Never truly combine all the pieces to create a holistic plan!