



# Social Security & Your Financial Plan

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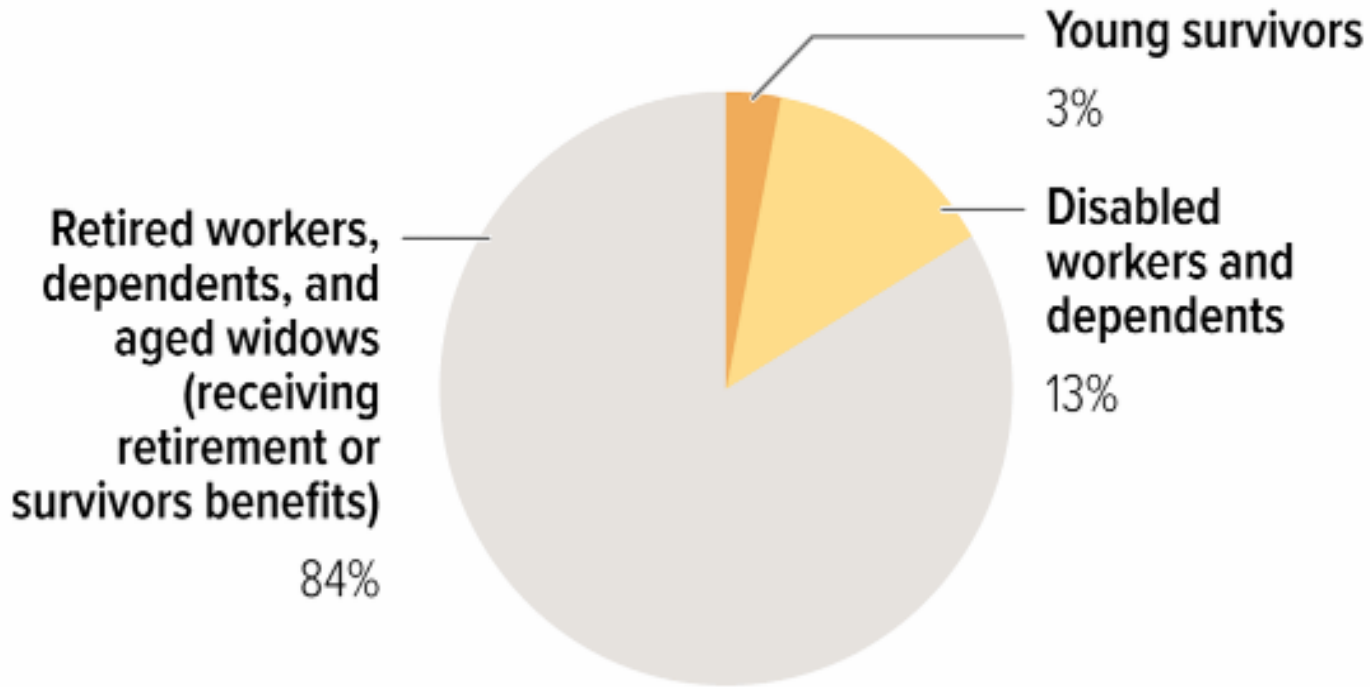


# Social Security Agenda



- The Impact of Social Security
- Social Security Terms Defined
- Social Security & Your Financial Plan
- Examples of When to Claim Benefits
- Life Expectancy & Other Claiming Assumptions
- Social Security's "Did You Knows?"
- The Future Viability of Social Security
- Questions & Answers

# Social Security's Impact



Source: Social Security Administration, January 2024 data

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

- 67 million people will collect Social Security benefits in 2024
- 97% of older adults either receive Social Security or will receive it
- Over 170 million Americans pay Social Security taxes
- Social Security expenditures were nearly \$1.4 trillion in 2023

# Social Security and You

- Employer Sponsored pension plans are increasingly rare
- SS is the pension plan for most
- SS Retirement:
  - Lifetime income
  - Annual inflation increases
  - Survivor benefits
- Average monthly SS retirement benefit: \$1,976
- Maximum monthly SS retirement benefit: \$4,018



THE

BASICS

# Social Security Key Terms



## Full Retirement Age (FRA)

- The predetermined age at which a worker will receive their full Social Security benefit amount based on what year the worker was born

## Primary Insurance Amount (PIA)

- The monthly benefit a worker will receive at their Social Security Full Retirement Age calculated based on their average indexed monthly earnings (AIME)

## Spousal Benefit

- **Spousal Benefit Amount** = 50% of spouses FRA benefit
- **Qualify:** Must be age 62 **AND** spouse must be claiming their own benefit

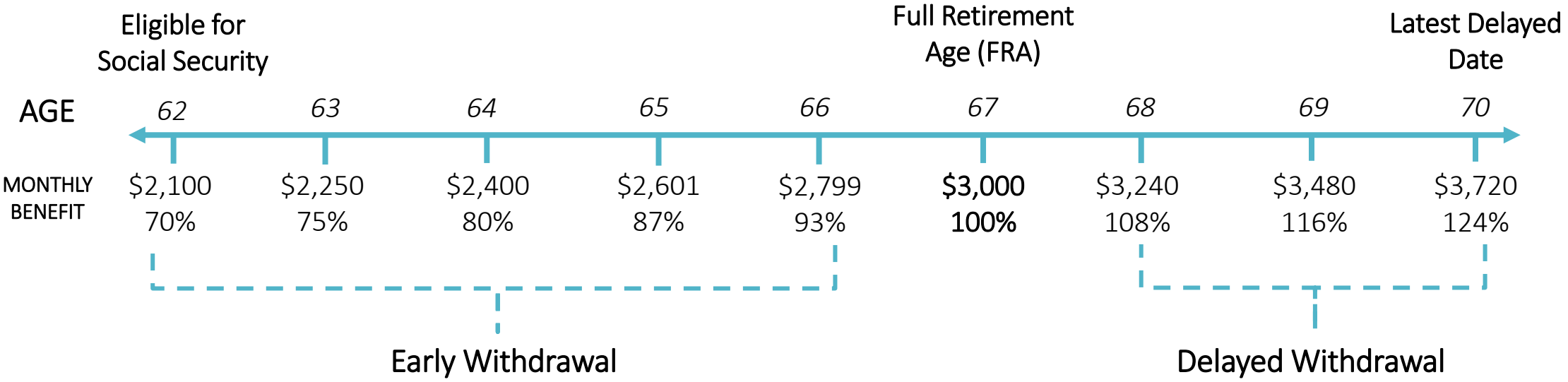
## Survivor Benefit

- **Survivor Benefit Amount** = 100% of spouses FRA benefit OR delayed benefit amount
- **Qualify:** Must be age 60 AND be currently married OR have been married for more than 10 years

## Ex-Spouse Benefit

- **Ex-Spousal Benefit Amount** = 50% of ex-spouses FRA benefit
- **Qualify:** Married 10+ years, filer at least age 62, AND filer currently unmarried (ex-spouse doesn't have to be receiving benefits)

# Impact of Claiming Date on Benefit



FULL RETIREMENT AGE			
BIRTH YEAR	FRA	BIRTH YEAR	FRA
1943-54	66	1958	66 + 8MO
1955	66 + 2MO	1959	66 + 10MO
1956	66 + 4MO	1960+	67
1957	66 + 6MO		

\*Claiming benefits is an "irrevocable" decision. You have 12 months to change your mind, but collected benefits must be paid back.

Year of birth	Full retirement age
1943–1954	> 66
1955	> 66 and 2 months
1956	> 66 and 4 months
1957	> 66 and 6 months
1958	> 66 and 8 months
1959	> 66 and 10 months
1960 and later	> 67



Why would I delay?

When should I take it?

# Most Frequently Asked Social Security Questions



How much will I get?

# Financial Planning

Connecting it all together



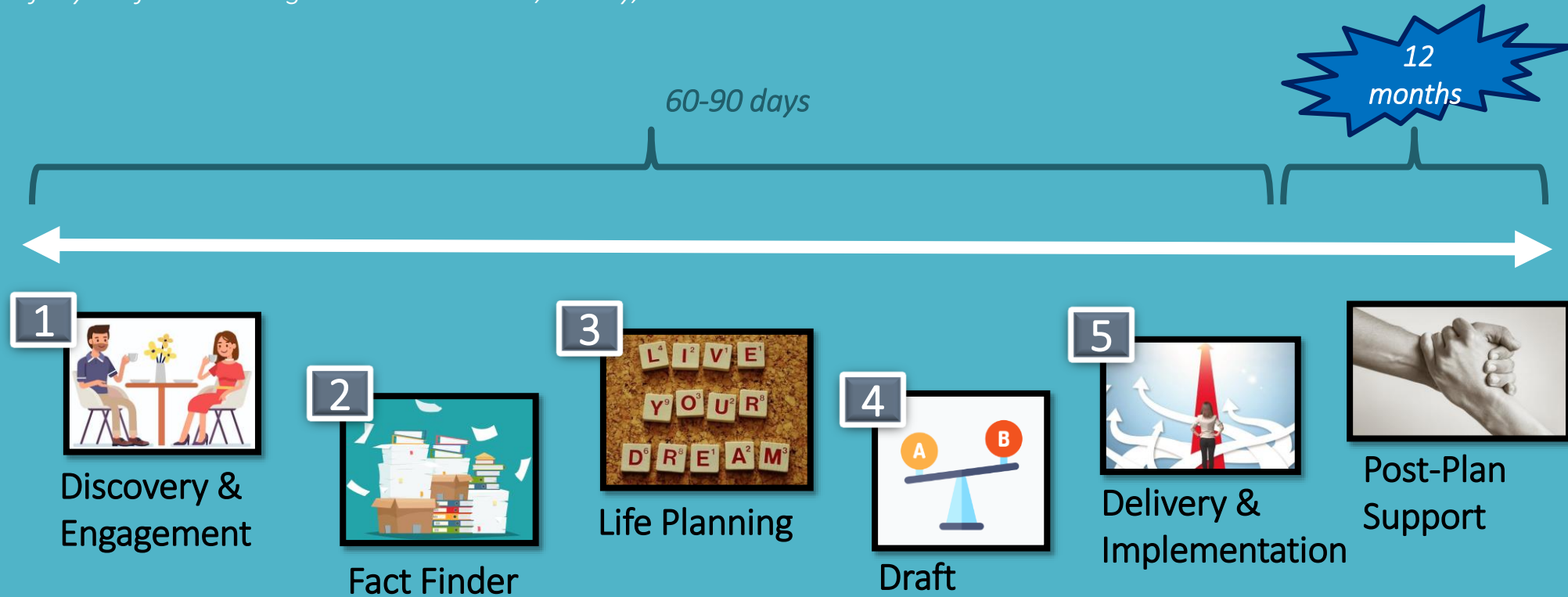
# Financial Planning

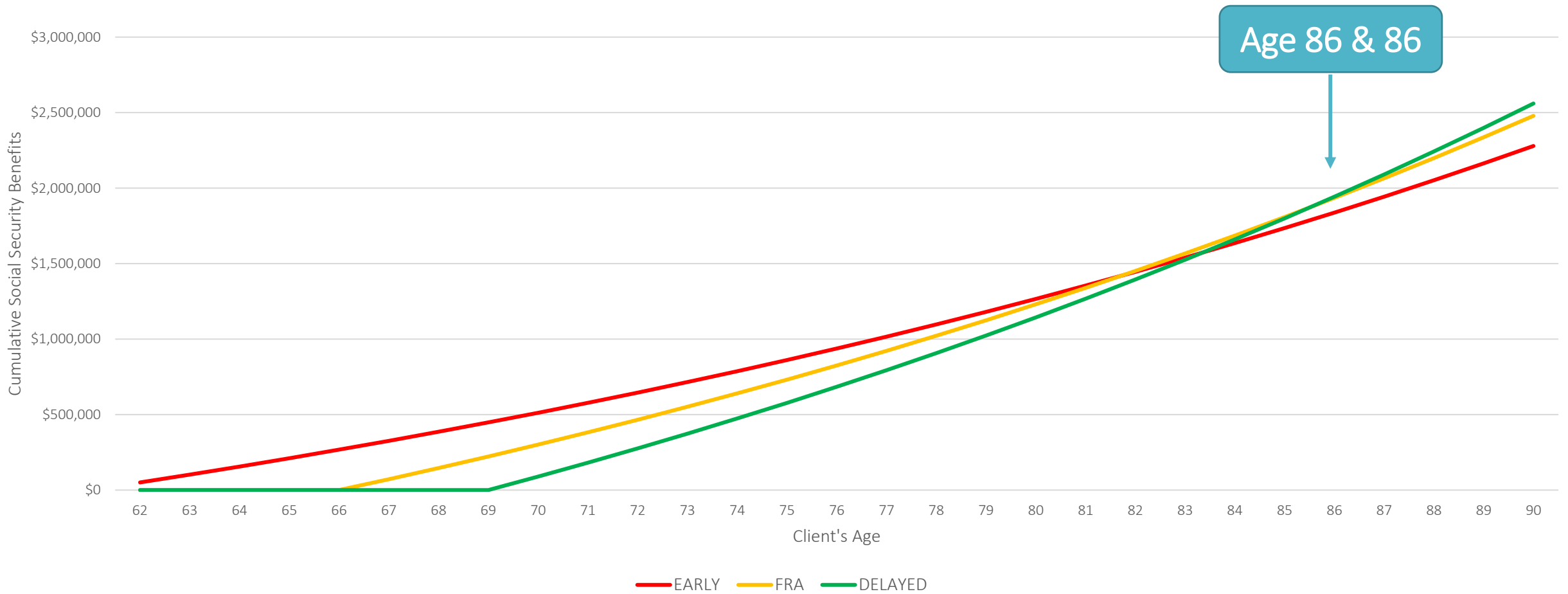
1. Zoom out
2. Get honest about where you are
3. Define where you want to be
4. Create a path forward
5. Get support along the way



# WestHill's Financial Planning Process

Carefully crafted to bring clients assurance, clarity, and direction.





# When Should I Claim Benefits: Example 1

SPOUSE 1	
Current Age	62
FRA Monthly Benefit	\$3,000

SPOUSE 2	
Current Age	62
FRA Monthly Benefit	\$3,000

# When should I claim benefits? Example 1

If you lived to age 90/90 and delayed benefits (70), you would receive **\$281,207 more** from Social Security than if you took benefits early (62).

## ACCUMULATED SOCIAL SECURITY BENEFIT

Year	Age	EARLY	FRA	DELAYED
2024	62	\$50,400	\$0	\$0
2025	63	\$102,312	\$0	\$0
2026	64	\$155,781	\$0	\$0
2027	65	\$210,855	\$0	\$0
2028	66	\$267,580	\$0	\$0
2029	67	\$326,008	\$72,000	\$0
2030	68	\$386,188	\$146,160	\$0
2031	69	\$448,174	\$222,545	\$0
2032	70	\$512,019	\$301,221	\$89,280
2033	71	\$577,780	\$382,258	\$181,238
2034	72	\$645,513	\$465,726	\$275,956
2035	73	\$715,278	\$551,697	\$373,514
2036	74	\$787,137	\$640,248	\$474,000
2037	75	\$861,151	\$731,456	\$577,500
2038	76	\$937,385	\$825,399	\$684,105
2039	77	\$1,015,907	\$922,161	\$793,908
2040	78	\$1,096,784	\$1,021,826	\$907,005
2041	79	\$1,180,088	\$1,124,481	\$1,023,495
2042	80	\$1,265,890	\$1,230,215	\$1,143,480
2043	81	\$1,354,267	\$1,339,122	\$1,267,064
2044	82	\$1,445,295	\$1,451,295	\$1,394,356
2045	83	\$1,539,054	\$1,566,834	\$1,525,467
2046	84	\$1,635,625	\$1,685,839	\$1,660,511
2047	85	\$1,735,094	\$1,808,415	\$1,799,606
2048	86	\$1,837,547	\$1,934,667	\$1,942,875
2049	87	\$1,943,073	\$2,064,707	\$2,090,441
2050	88	\$2,051,766	\$2,198,648	\$2,242,434
2051	89	\$2,163,718	\$2,336,608	\$2,398,987
2052	90	\$2,279,030	\$2,478,706	\$2,560,237
<b>Difference from Delayed =</b>		<b>\$281,207</b>	<b>\$81,531</b>	

Delay benefits?  
Are you sure?

### Present Bias

“I better take Social Security now before it’s gone.”

### Life Expectancy

“I won’t live that long.”

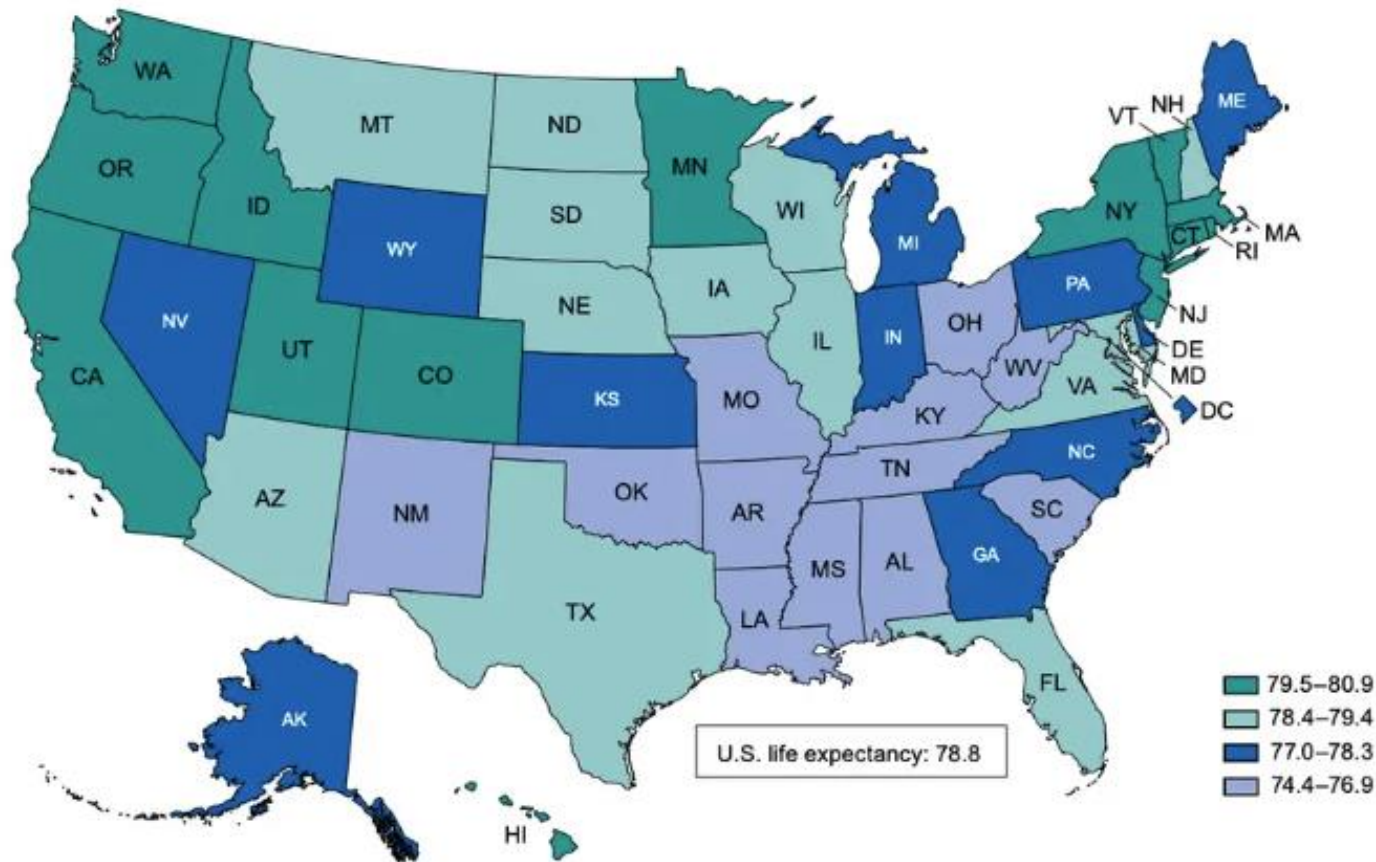




# Life Expectancy: *You'll Likely Live Longer than You Think*

## Key Factors

- Education
- Socio-economics
- Marital status
- Access to medical technology
- Lifestyle factors (exercise, diet, tobacco usage, motor vehicle safety)
- Where you live



SOURCE: National Center for Health Statistics, National Vital Statistics System, Mortality.

## Life Expectancy: Where You Live

California residents are in the highest quartile of life expectancy rates in the US.

# Life Expectancy: Tables & Calculators

*websites included in your handout*



## SS Actuarial Life Table website

<https://www.ssa.gov/oact/STATS/table4c6.html>



## LifeSpan Calculator/Northwestern Mutual

(personalized based on health & lifestyle)

<https://media.nmfn.com/tnetwork/lifespan/index.html#3>



### Actuarial Life Table

Office of the Chief Actuary  
Life Tables

A period life table is based on the mortality experience of a population during a relatively short period of time. Here we present the 2021 period life table for the [Social Security area population](#), as used in the 2024 Trustees Report (TR). For this table, the period life expectancy at a given age is the average remaining number of years expected prior to death for a person at that exact age, born on January 1, using the mortality rates for 2021 over the course of his or her remaining life.

This life table is available for certain other years.

Select a year for period life table:

Period Life Table, 2021, as used in the 2024 Trustees Report

Exact age	Male			Female		
	Death probability <sup>a</sup>	Number of lives <sup>b</sup>	Life expectancy	Death probability <sup>a</sup>	Number of lives <sup>b</sup>	Life expectancy
63	0.017617	77,582	18.31	0.010849	86,427	21.29
64	0.018759	76,215	17.63	0.011550	85,490	20.52
65	0.019914	74,786	16.95	0.012216	84,502	19.75
66	0.021104	73,296	16.29	0.012952	83,470	18.99
67	0.022423	71,749	15.63	0.013844	82,389	18.23
68	0.023847	70,141	14.98	0.014863	81,248	17.48
69	0.025357	68,468	14.33	0.016028	80,041	16.74
70	0.027050	66,732	13.69	0.017329	78,758	16.00
71	0.028970	64,927	13.06	0.018859	77,393	15.27
72	0.031188	63,046	12.43	0.020609	75,934	14.56
73	0.033754	61,080	11.82	0.022620	74,369	13.85

Social Security  
**Age 81.31**  
 Age 63 + Life Ex 18.31

## LIFESPAN CALCULATOR

QUESTION No. 1 of 13

ESTIMATED AGE  
?  
YEARS

### Age & Gender

How long you have already lived is one of the best predictors of how long you may live. Life expectancy has been increasing for years thanks to growing awareness of personal health maintenance and medical care that keeps on improving. Ever since records have been kept, women have outlived men.

*Enter your age and gender.*

Your Age

Male

Female



Jump to

1

2

3

4

5

6

7

8

9

10

11

12

13

14

## LIFESPAN CALCULATOR

QUESTION No. 2 of 13

ESTIMATED AGE  
78  
YEARS

### Height & Weight

Weight problems and obesity are epidemics in the USA in both kids and adults. They can lead to serious medical problems, including diabetes, heart disease, and some cancers. Knowing your Body Mass Index (BMI) puts it all in perspective. Here's how the Centers for Disease Control assesses BMI values: normal 19-24, overweight 25-29, obese 30+.

*Enter your height and weight below.*

Feet

Inches

Weight



Jump to

1

2

3

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14

## Questions:

1. Age & Gender
2. Height & Weight
3. Family History (cardiovascular)
4. Blood Pressure
5. Stress
6. Exercise
7. Diet (Fruit & Vege's vs Processed food)
8. Seatbelt Use
9. Driving Record
10. Drinking (alcohol use)
11. Smoking
12. Drugs (used)
13. Doctors Visits (regular?)
14. Provides your "Estimated Age"

## LIFESPAN CALCULATOR

LifeSpan Age →

ESTIMATED AGE  
**94**  
YEARS

Congratulations!

You have calculated your longevity. For more than 160 years, Northwestern Mutual has helped people manage risks and achieve financial security. How could you improve your estimated\* age? Are you financially prepared to live that long?

Thank you for taking the test. Don't stop now!

- [Share](#) the Lifespan Calculator with friends

\* The calculator may not provide accurate results for individuals who have a chronic illness

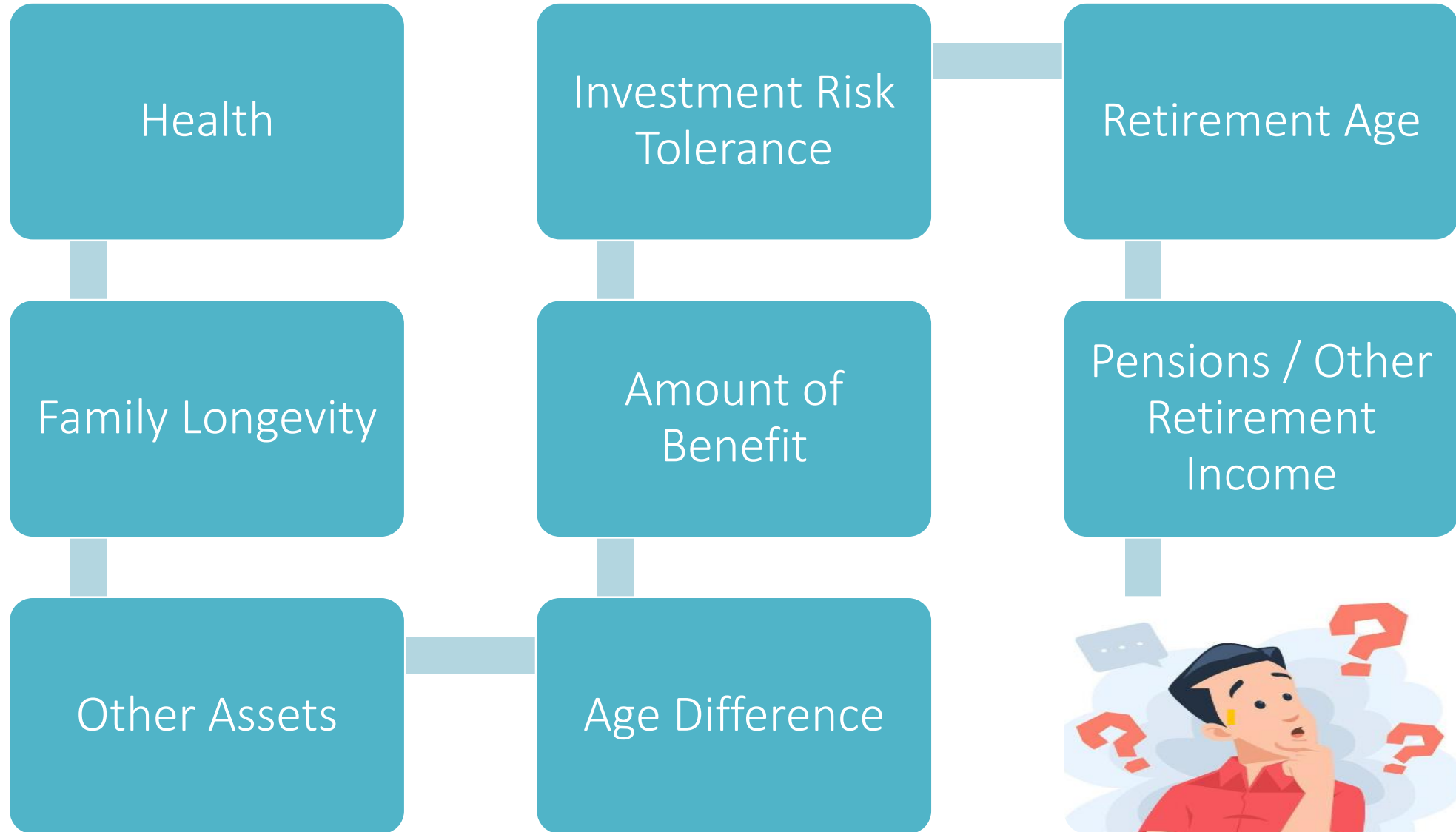
13 Years more than SS



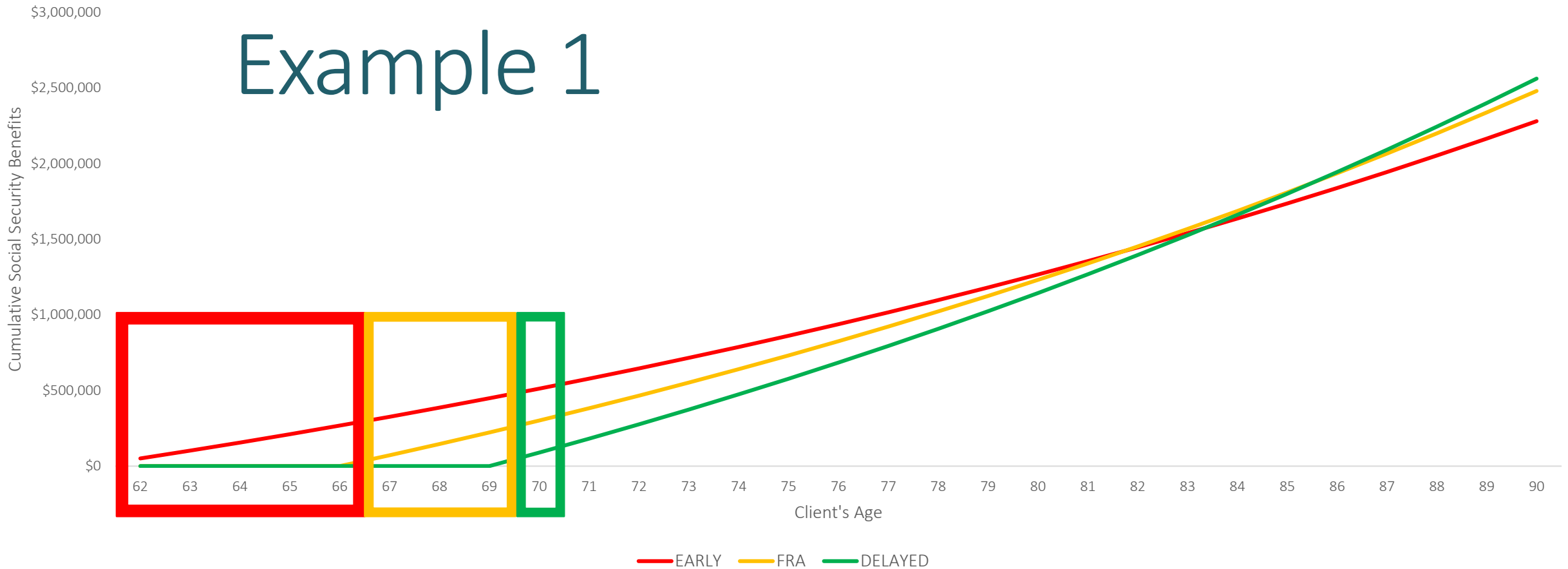
Jump to 1 2 3 4 5 6 7 8 9 10 11 12 13 14



# What to consider before claiming benefit?



# Example 1

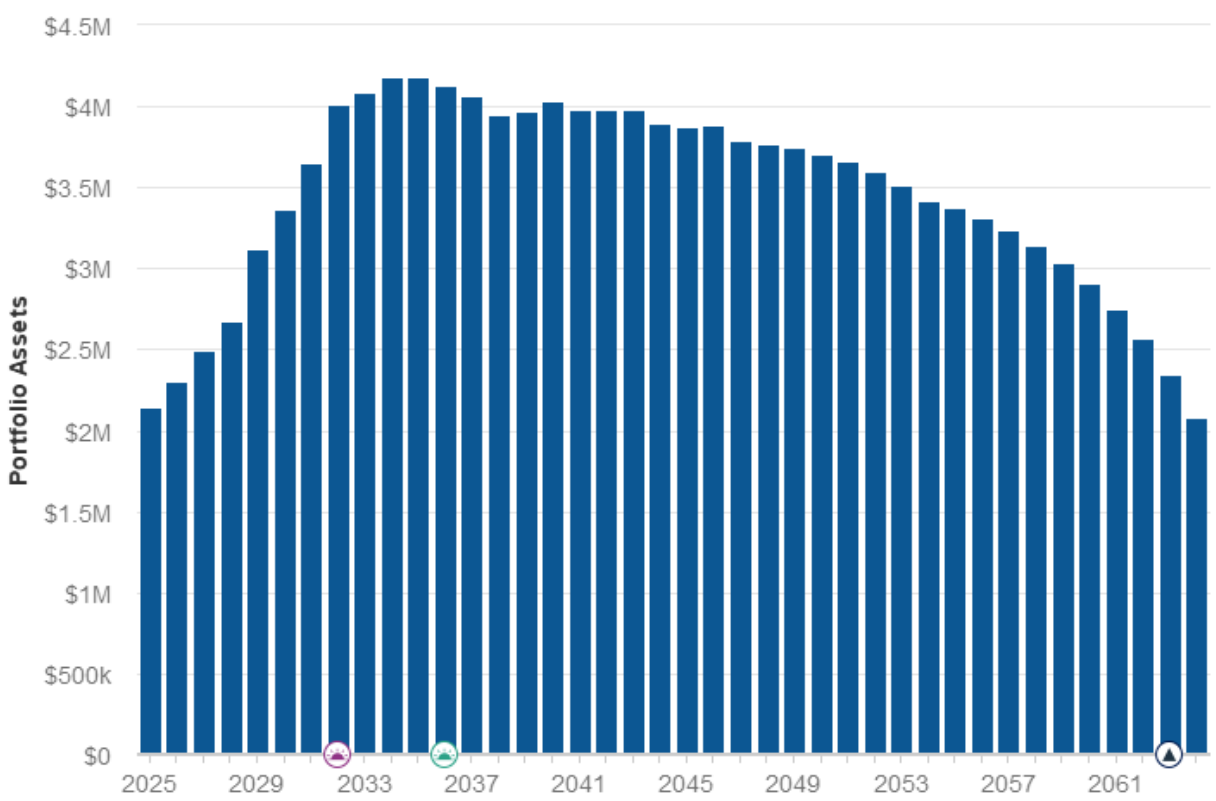


- Shortened life span
- Poor health

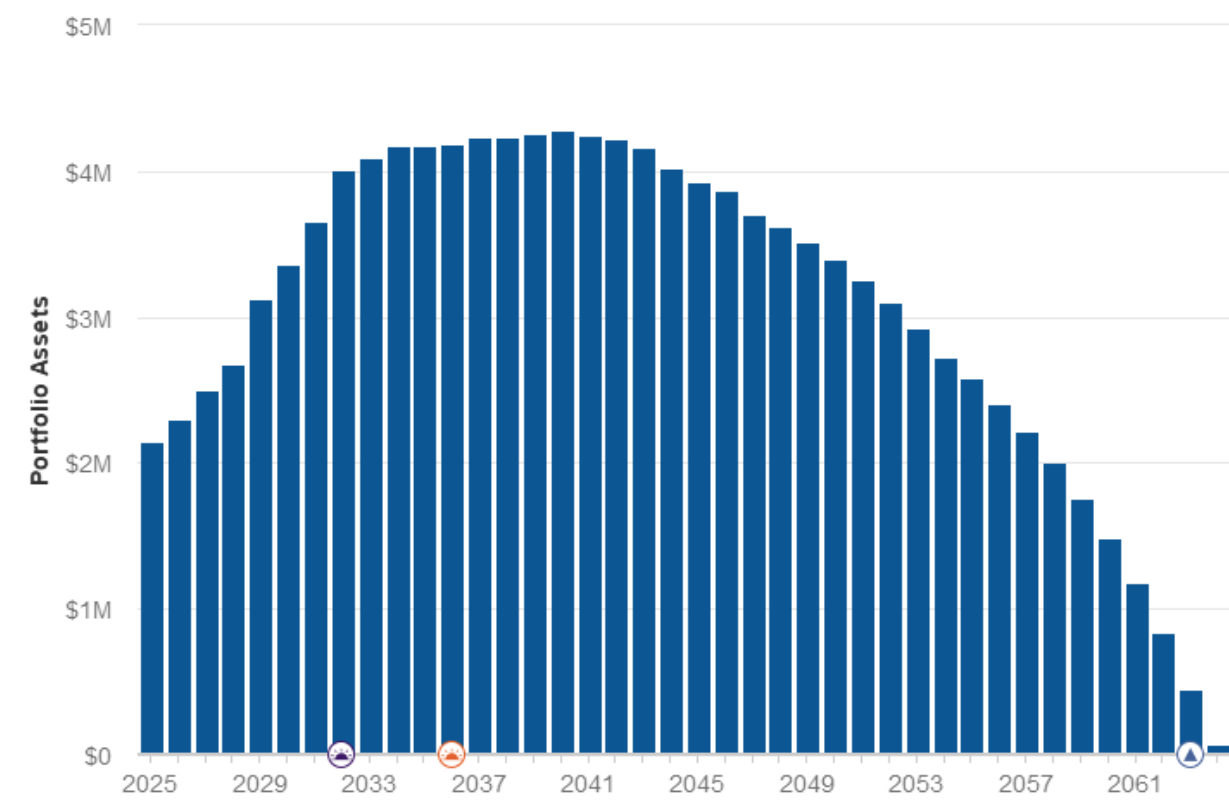
- Age gap between spouses
- Early (pre-65) retirement
- Aggressive investment risk tolerance

- Long life expectancy
- Low investment risk tolerance
- Other assets to withdraw from
- Pensions or other retirement income

Portfolio Assets Base Facts



Portfolio Assets Take SS Age 67

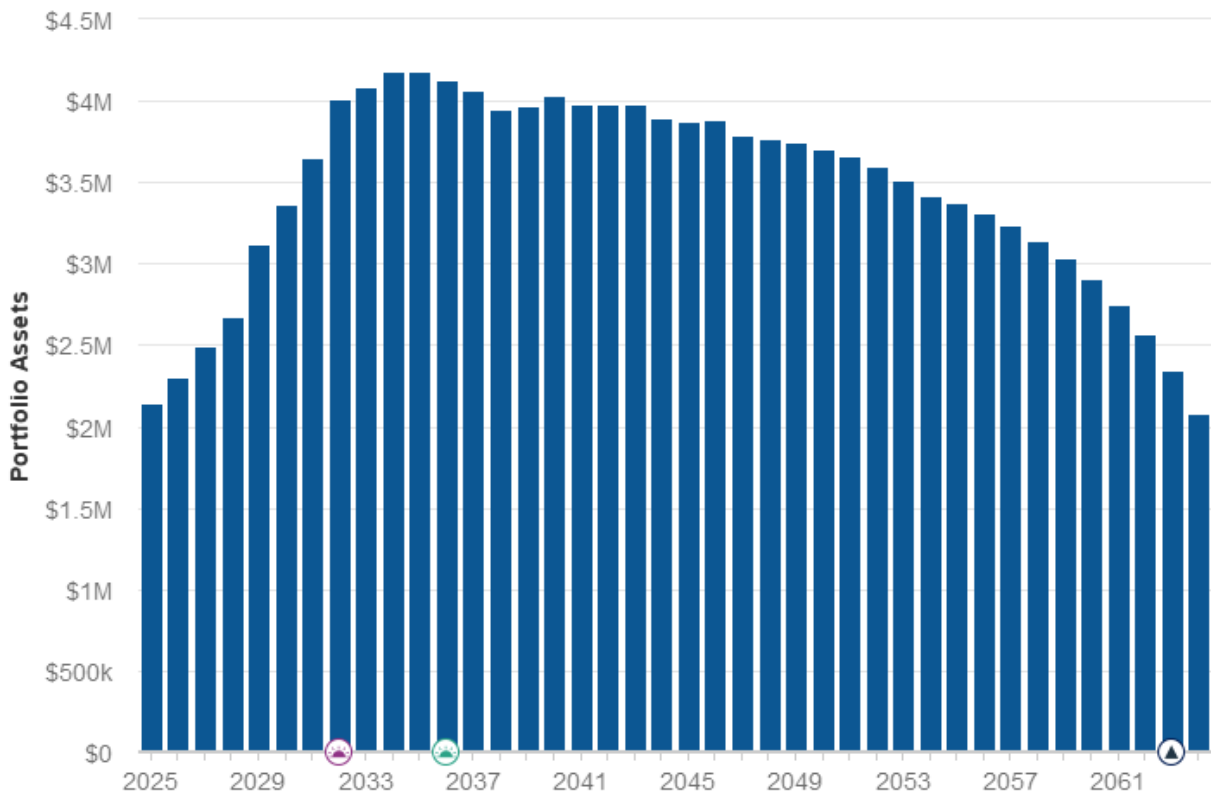


# Case Study: Delay (70) vs FRA (67)

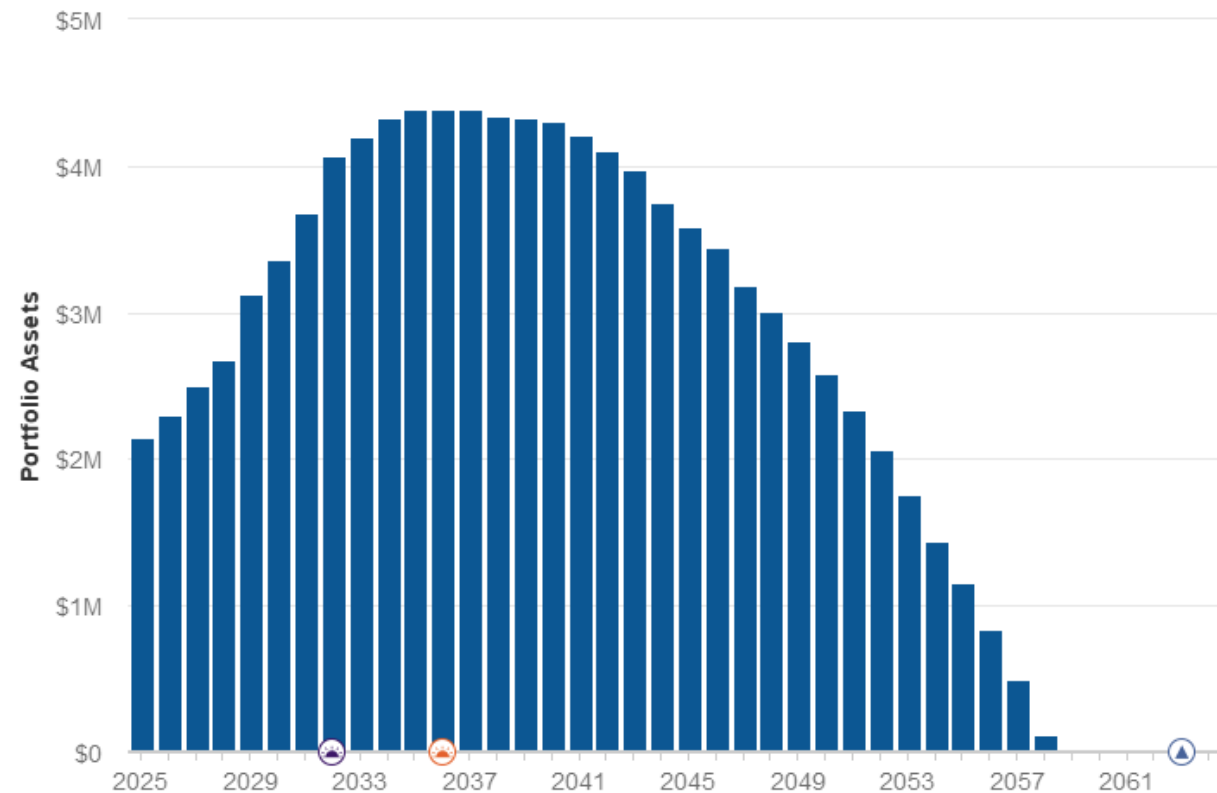
Client Traits: Similar Age, Similar Social Security Benefit Amounts, Live to Age 95

Portfolio Value at Age 95: \$2,083,000 vs \$68,000

Portfolio Assets Base Facts



Portfolio Assets Take SS Age 62



# Case Study: Delay (70) vs Early (62)

Client Traits: Similar Age, Similar Social Security Benefit Amounts, Live to Age 95

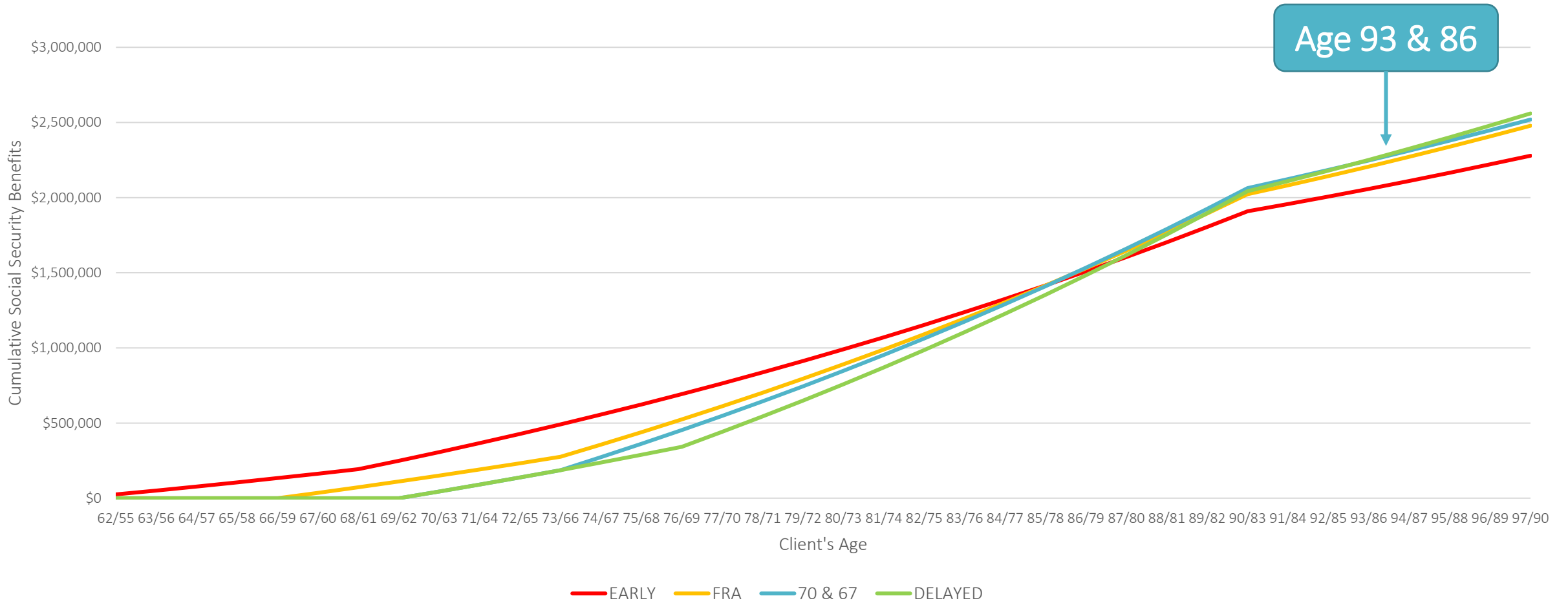
Portfolio Value at Age 95: \$2,083,000 vs **-\$2,132,000**

Year	Age	Gross Total Income	Regular Federal Income Tax	Capital Gains Tax	Other Income Taxes	Total Income Tax	Effective Income Tax Rate
2025	61/48	\$339,161	\$39,155	\$6,648	\$35,229	\$81,032	23.89%
2026	62/49	\$323,910	\$38,397	\$8,815	\$38,771	\$85,983	26.55%
2027	63/50	\$328,632	\$37,445	\$9,396	\$39,488	\$86,329	26.27%
2028	64/51	\$332,267	\$36,589	\$9,999	\$40,051	\$86,639	26.08%
2029	65/52	\$306,365	\$35,135	\$6,265	\$36,603	\$78,003	25.46%
2030	66/53	\$104,038	\$0	\$0	\$1,679	\$1,679	1.61%
2031	67/54	\$107,965	\$0	\$0	\$1,744	\$1,744	1.62%
2032	68/55	\$156,242	\$0	\$0	\$4,447	\$4,447	2.85%
2033	69/56	\$162,117	\$0	\$0	\$4,616	\$4,616	2.85%
2034	70/57	\$190,133	\$0	\$0	\$4,337	\$4,337	2.28%
2035	71/58	\$212,405	\$2,434	\$0	\$4,217	\$6,651	3.13%
2036	72/59	\$448,539	\$73,546	\$0	\$24,821	\$98,367	21.93%
2037	73/60	\$464,510	\$76,394	\$0	\$25,771	\$102,165	21.99%
2038	74/61	\$576,322	\$109,288	\$0	\$35,617	\$144,905	25.14%
2039	75/62	\$498,266	\$82,319	\$0	\$27,783	\$110,102	22.10%
2040	76/63	\$618,489	\$117,559	\$0	\$38,371	\$155,930	25.21%

## Delaying Social Security Benefits Creates a **Tax Opportunity**

1. Opportunity to withdraw money out of IRAs and 401(k)s with no or very low taxes.
2. Opportunity to allow Social Security benefits to grow at 8% per year, while retirement accounts grow between 4-6% per year, assuming a Moderate\* investment allocation.

\*WH's Moderate Portfolio = 65% equities, 35% fixed income



# When Should I Claim Benefits : Example 2

SPOUSE 1	
Current Age	62
FRA Monthly Benefit	\$3,000

SPOUSE 2	
Current Age	55
FRA Monthly Benefit	\$3,000

# Combination Strategy for Spouses with Age Gap

Spouse 1: Take at Full Retirement Age, 67 (older spouse)

Spouse 2: Take at Delayed Age, 70 (younger spouse)



FRA:

More cash  
for higher  
expenses



Delay:

Higher  
Survivor  
Benefit for  
Surviving  
Spouse

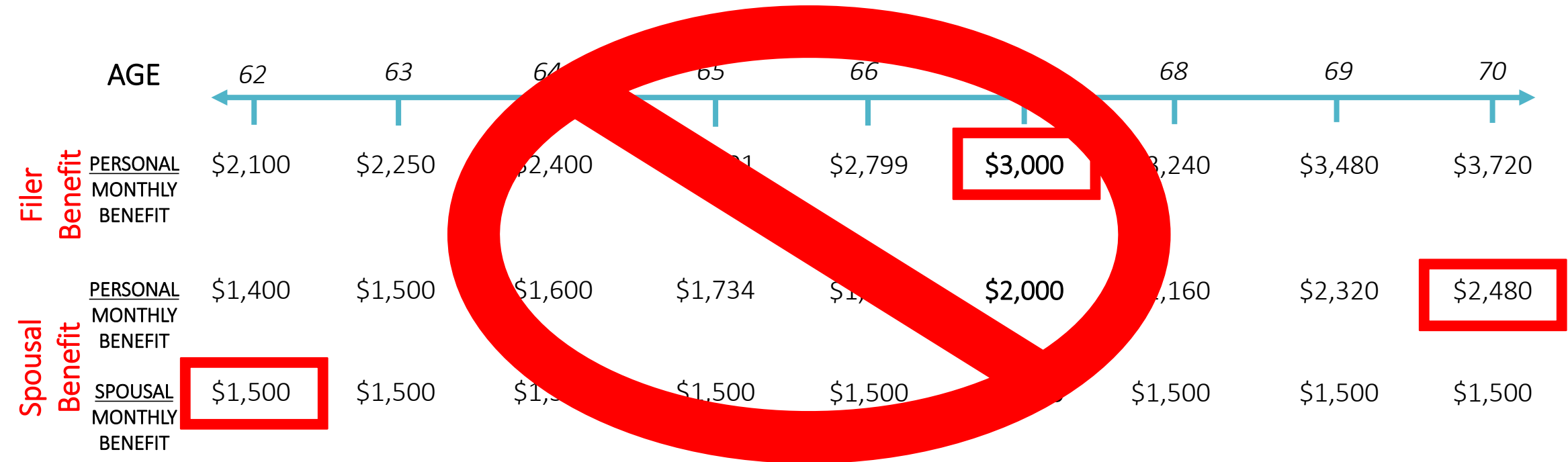
Year	Age 1	Age 2	SOCIAL SECURITY INCOME		EXTRAORDINARY EXPENSES				
			SS Income 1	SS Income 2	Travel	College	Kids Weddings	Private Medical Insurance	Home Rennovations
2025	62	55			\$10,000				
2026	63	56			\$10,300				\$30,900
2027	64	57			\$10,609	\$51,500			
2028	65	58			\$10,927	\$53,045			
2029	66	59			\$11,255	\$54,636			
2030	67	60	\$36,000		\$23,185	\$112,551		\$17,033	\$34,778
2031	68	61	\$37,080		\$23,881	\$57,964		\$17,714	
2032	69	62	\$38,192		\$24,597	\$59,703	\$59,703	\$18,423	
2033	70	63	\$39,338		\$25,335	\$61,494		\$19,160	
2034	71	64	\$40,518		\$26,095			\$19,926	\$39,143
2035	72	65	\$41,734		\$26,878		\$65,239		
2036	73	66	\$42,986		\$27,685				
2037	74	67	\$44,275		\$28,515				
2038	75	68	\$45,604		\$29,371				
2039	76	69	\$46,972		\$15,126				
2040	77	70	\$48,381	\$44,640	\$15,580				
2041	78	71	\$49,832	\$45,979	\$16,047				
2042	79	72	\$51,327	\$47,359	\$16,528				
2043	80	73	\$52,867	\$48,779	\$17,024				
2044	81	74	\$54,453	\$50,243	\$17,535				
2045	82	75	\$56,087	\$51,750	\$18,061				
2046	83	76	\$57,769	\$53,302	\$18,603				
2047	84	77	\$59,503	\$54,902	\$9,581				
2048	85	78	\$61,288	\$56,549	\$9,868				
2049	86	79	\$63,126	\$58,245	\$10,164				

A yellow notepad is the central focus, held together by three silver paper clips at the top. The text 'WHAT YOU NEED TO KNOW' is printed in a bold, black, serif font across three lines. To the left of the notepad, a black pencil with a sharpened lead tip is positioned vertically. Below the pencil, a silver paper clip is attached to a yellow pushpin. Another yellow pushpin is visible at the bottom left corner of the notepad. The entire scene is set against a plain, light-colored background.

**WHAT YOU  
NEED TO  
KNOW**

# Did you know?

Bipartisan Budget Act of 2015: "File and suspend" replaced with "deemed filing"



**File & Suspend**: Can no longer file for spousal benefits, once spouse files for their benefit, and continue to delay personal benefit to receive 8% increases.

**Deemed Filing**: When you file for benefits you receive the greater of your spousal benefit or your personal benefit and you cannot switch later.

# Did you know?

## Social Security benefits for minor children with parent(s) over age 62

### REAL CASE STUDY

Year	Client's Age	Child's Age	Child's SS Income
2019	62	10	\$19,092
2020	63	11	\$19,703
2021	64	12	\$20,333
2022	65	13	\$20,984
2023	66	14	\$21,656
2024	67	15	\$22,349
2025	68	16	\$23,064
2026	69	17	\$23,802
2027	70	18	\$24,563
		<b>TOTAL =</b>	<b>\$195,546</b>

## Your New Benefit Amount

BENEFICIARY'S NAME: JOHN DOE

Your Social Security benefit will increase by **5.9% in 2022** because of a rise in the cost of living. You can use this letter as proof of your benefit amount if you need to apply for food, rent, or energy assistance. You can also use it to apply for bank loans or for other business. Keep this letter with your important financial records.

How Much You Will Get	
Your monthly benefit before deductions	\$1,248.10
<b>Deductions:</b>	
Medicare Medical Insurance (If you did not have Medicare as of November 18, 2021 or if someone else pays your premium, we show \$0.00)	-\$170.10
Medicare Prescription Drug Plan (We will notify you if the amount changes in 2022. If you did not elect withholding as of November 1, 2021, we show \$0.00)	-\$0.00
U.S. Federal tax withholding	-\$0.00
Voluntary Federal tax withholding (If you did not elect voluntary tax withholding as of November 18, 2021, we show \$0.00)	-\$0.00
After we take any other deductions, you will receive the payment you are due for December 2021 on or about January 3, 2022.	<b>\$1,078.00</b>

The information above shows your monthly benefit amount before and after deductions. Please remember, we will pay you in the month following the month for which it is due.

The Treasury Department requires Federal benefit payments to be made electronically. If you still receive a paper check, please visit the Department of the Treasury's Go Direct website at [www.godirect.gov](http://www.godirect.gov) to request electronic payments.

If you disagree with any of these amounts, you must file an appeal with us within 60 days from the date you receive this letter. We will assume you got this letter 5 days after the date of the letter, unless you show us that you did not get it within the 5-day period. The fastest and easiest way to file an appeal is to visit <https://secure.ssa.gov/iApp/NMD/start> online.

# Did you know?

Medicare premiums for parts B&D are deducted from your Social Security check

Year	Social Security Increases	Medicare Increases
2003	2.10%	8.7%
2004	2.70%	13.5%
2005	4.10%	17.4%
2006	3.30%	13.2%
2007	2.30%	5.6%
2008	5.80%	3.1%
2009	0.00%	0.0%
2010	0.00%	14.6%
2011	3.60%	4.4%
2012	1.70%	-13.4%
2013	1.50%	5.0%
2014	1.70%	0.0%
2015	0.00%	0.0%
2016	0.30%	16.1%
2017	2.00%	10.0%
2018	2.80%	0.0%
2019	1.60%	1.1%
2020	1.30%	6.7%
2021	5.90%	2.7%
2022	8.70%	14.5%
<b>AVERAGE =</b>	<b>2.57%</b>	<b>6.16%</b>

# Did you know?

## Government Pensions: Windfall Elimination Provision & Government Pension Offset

### Windfall Elimination Provision (WEP)

If you work for an employer who **doesn't withhold Social Security taxes** from your salary, any retirement or disability pension you get from that work can reduce your Social Security benefits.

### Government Pension Offset

If your spouse receives a retirement or disability pension from a **federal, state, or local government** based on their own work for which they **didn't pay Social Security taxes**, your Social Security spousal benefits may be reduced. Your Social Security spousal benefits will be reduced by two thirds of your spouse's government pension, which could mean you receive zero Social Security benefits.



On 1/5/25 The Social Security Fairness Act was signed into law which ended the WEP and government pension offset.

People previously affected by these provisions received a one-time retroactive payment from Social Security in March 2025 to cover the increase from January 2024.

# Did you know?

## Penalty for working and collecting Social Security benefits

< FRA

-\$1 benefit for every \$2 earned above the limit

2025 Limit = \$23,400

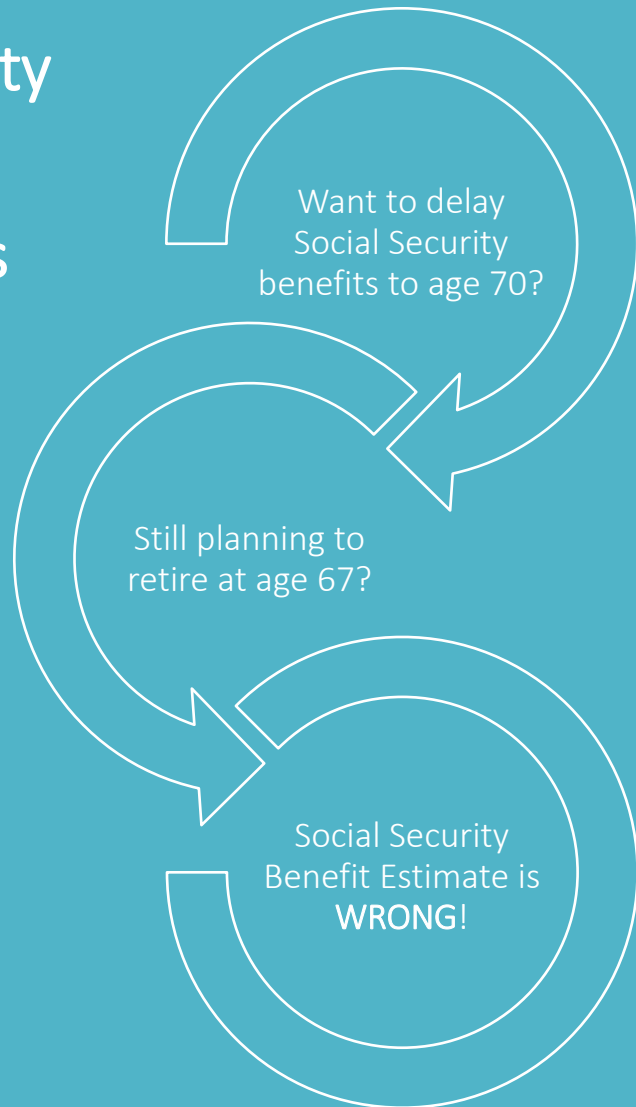
= FRA

-\$1 benefit for every \$3 earned above the limit

2025 Limit = \$62,160

# Did you know?

## Social Security Benefit Statement Assumptions Are Likely Wrong



## Your Estimated Benefits

<b>*Retirement</b>	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until ...	
	your full retirement age (67 years), your payment would be about .....	\$ 1,971 a month
	age 70, your payment would be about .....	\$ 2,457 a month
	age 62, your payment would be about .....	\$ 1,357 a month
<b>*Disability</b>	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about .....	\$ 1,778 a month
<b>*Family</b>	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
<b>*Survivors</b>	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:	
	Your child .....	\$ 1,372 a month
	Your spouse who is caring for your child .....	\$ 1,372 a month
	Your spouse, if benefits start at full retirement age .....	\$ 1,829 a month
	Total family benefits cannot be more than .....	\$ 3,398 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of \$255.	
<b>Medicare</b>	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.	
	<b>* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2035, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.</b>	
	<b>We based your benefit estimates on these facts:</b>	
	Your date of birth (please verify your name on page 1 and this date of birth) .....	April 5, 1980
	Your estimated taxable earnings per year after 2018 .....	\$53,556
	Your Social Security number (only the last four digits are shown to help prevent identity theft) .....	XXX-XX-1234

## How Your Benefits Are Estimated

To qualify for benefits, you earn “credits” through your work — up to four each year. This year, for example, you earn one credit for each \$1,410 of wages or self-employment income. When you’ve earned \$5,640, you’ve earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven’t earned enough yet to qualify for any type of benefit, we can’t give you a benefit estimate now. If you continue to work, we’ll give you an estimate when you do qualify.

**What we assumed** — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2020 and later (up to retirement age), we assumed you’ll continue to work and make about the same as you did in 2018 or 2019. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator) to obtain immediate and personalized benefit estimates.

We can’t provide your actual benefit amount until you apply for benefits. And that amount may differ from the estimates stated above because:

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

- (3) Your estimated benefits are based on current law. **The law governing benefit amounts may change.**
- (4) Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.** Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) to learn more.

**Windfall Elimination Provision (WEP)** — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at [www.socialsecurity.gov/WEP](http://www.socialsecurity.gov/WEP).

**Government Pension Offset (GPO)** — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse’s record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at [www.socialsecurity.gov/GPO](http://www.socialsecurity.gov/GPO).

# Did you know?

Your Social Security benefits are likely taxed at the Federal level

Single

Income between  
\$25,000 -  
\$34,000

50% of Benefit is  
Taxed

Single

Income is  
\$34,000+

85% of Benefit is  
Taxed

MFJ

Income between  
\$32,000 -  
\$44,000

50% of Benefit is  
Taxed

MFJ

Income is  
\$44,000+

85% of Benefit is  
Taxed

## States that tax Social Security Income

Colorado	Connecticut	Kansas
Minnesota	Missouri	Montana
Nebraska	New Mexico	North Dakota
Rhode Island	Utah	Vermont
West Virginia		

# Did you know?

Your Social Security benefits are likely taxed at the Federal level

## Total Annual Combined Retirement Income for Both Spouses

IRA Distributions	\$45,000
Pension Income	\$100,000
Social Security Benefits	\$60,000
After-Tax Investment Income	\$5,000
<b>TOTAL Income =</b>	<b>\$210,000</b>

## How Much of My Social Security Benefits Are Taxable?

Tax Status	Married Filing Jointly (MFJ)
Income > \$44,000 per Year	85%
Social Security Benefits	\$60,000
<b>Amount of Taxable Social Security</b>	<b>\$51,000</b>



**Social Security**  
as a *key piece* of your  
**Financial Plan**



# Future Viability of Social Security

*What Can We Expect?*

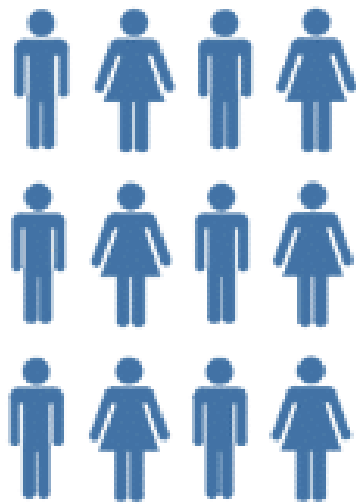
# Social Security in the News

- Are SS offices really closing?
- Social Security call times
- SS payments to deceased beneficiaries?
- SS & ID verification
- The White House & SS

# THE POPULATION IS AGING

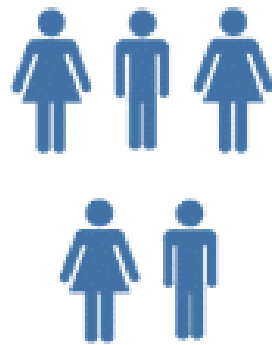
1950 

(16:1)



1960 

(5:1)



2015 

(3:1)



2035 

(2:1)

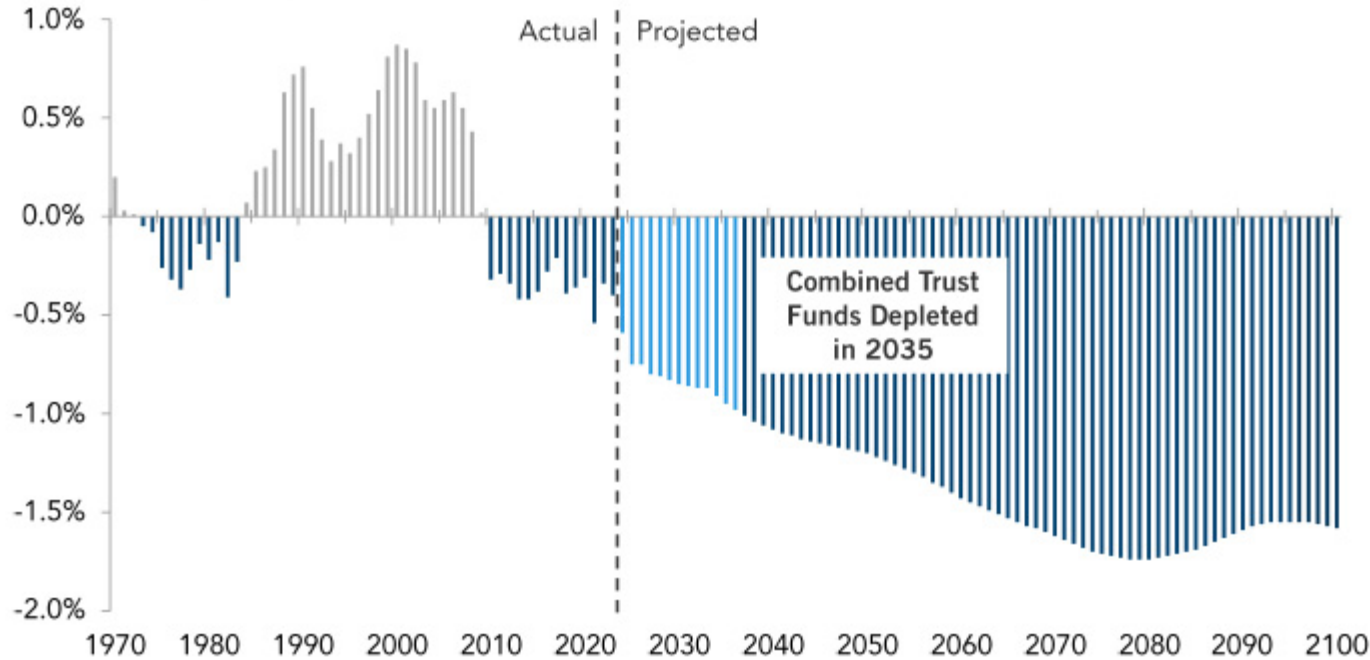


>> THE NUMBER OF WORKERS



## Social Security is facing significant cash shortfalls

Social Security Surpluses/Deficits (% of GDP)

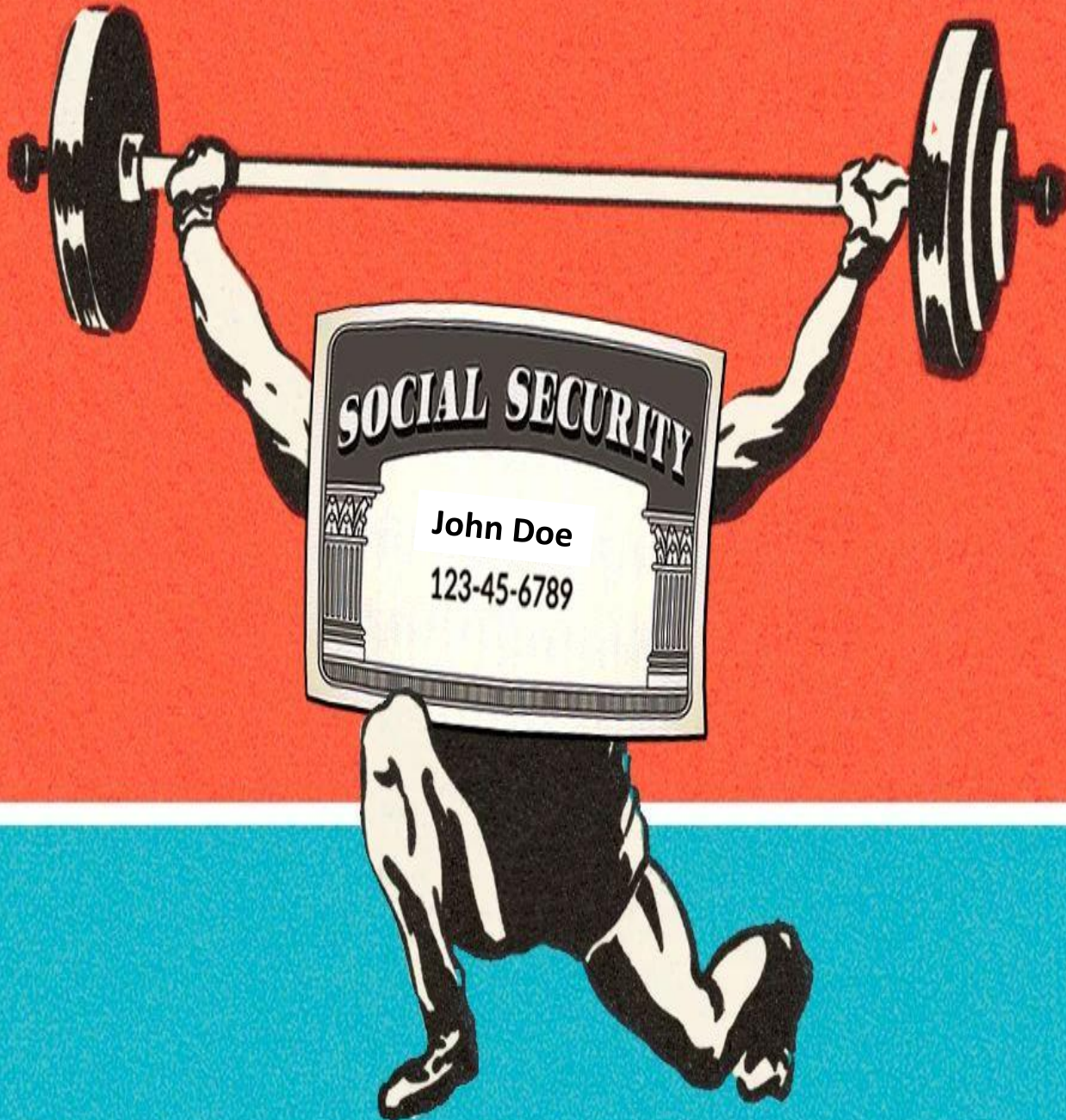


SOURCE: Social Security Administration, *The 2024 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, May 2024.

NOTES: Surplus/deficit numbers exclude interest income. The Old-Age & Survivors Insurance trust fund is projected to be depleted in 2033 and lead to a 21 percent cut in benefits that year; the Disability Insurance trust fund is not projected to become depleted during the 75-year period ending in 2097.

# Future of Social Security

- Current Social Security Trust Fund: \$2.78 Trillion
- Trust Fund estimated to run out in 2035
- By 2035 taxes will provide only about 79% of scheduled benefits



# Future of Social Security

- Fixing Social Security-Increasing Revenue
  - Increase Taxes
  - Remove wage cap for Social Security taxable income
- Fixing Social Security- Reducing Benefits
  - Cap annual COLA on benefits
  - Increase the FRA for younger/working people
- Fixing Social Security - A Combination of Both
- Economically Simple. Politically Difficult

# SOCIAL SECURITY

FOR STARTERS,  
WE'RE TAKING *THIS*  
OFF THE TABLE!

BENEFIT  
CUTS

NEW  
TAXES





## Future of Social Security

- SS's widespread impact
- SS and Poverty
- Immensely Popular
- Political "Third Rail"
- We've "fixed" Social Security before

## Future of Social Security & You

- We include SS in our FP assumptions
- SS claiming decisions based on your situation
- Social Security: An iconic & enduring American Institution



# Key Summary Points



*Thank You.*  
Questions?

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