



# Guided Social Security Maximization

**Identifying optimal ways to claim Social Security is essential** to your retirement income planning. For many retirees, understanding and claiming Social Security can be difficult. Social Security benefits are not designed to be the sole source of your retirement income but rather a part of your overall withdrawal strategy. Knowing the foundation of Social Security and using this knowledge to your advantage can help you claim your maximum benefit.

**GuideStone® is here to guide you**  
through ways to maximize Social Security.

## Understand the Basics

➤ **Gaining an understanding of how Social Security works will give you an advantage as you plan your retirement income strategy.**

### Who qualifies for Social Security?

Any individual with 40 credits (10 years of work) qualifies for Social Security. Spouses of individuals who qualify will also qualify to claim spousal benefits.

### Does receiving a Social Security benefit mean I must formally retire?

Drawing Social Security benefits does not necessarily mean retiring from your vocation. Retiring and drawing Social Security are not required to happen simultaneously, as they can be independent events occurring at different times. You can retire and draw retirement income from various other sources, while waiting or delaying to claim Social Security benefits.

### What is my Social Security full retirement age (FRA)?

Your FRA is dependent upon the year you were born. Essentially, your FRA is the age at which you can receive your full Social Security benefits.

#### FRA: At-a-Glance<sup>1</sup>

YEAR OF BIRTH	1943–1954	1955	1956	1957	1958	1959	1960–today
FULL RETIREMENT AGE	66	66 + 2 months	66 + 4 months	66 + 6 months	66 + 8 months	66 + 10 months	67

 **Note:** People born on January 1 of any year should refer to the previous year.

### How much can I expect to receive from Social Security?

Your benefit payment is based on the amount you earned during your career. **Higher lifetime earnings translate to larger monthly benefits.** Of course, the age at which you decide to claim Social Security largely impacts the amount you will receive in monthly benefits.

### How long can I expect to live?

When it comes to deciding your personal age to start drawing Social Security benefits, taking into consideration your projected life expectancy can be helpful. According to 2023 data compiled by the Social Security Administration (SSA):

For those reaching age 65 today,<sup>2</sup>



A man can expect to live, on average, until age **84.2**

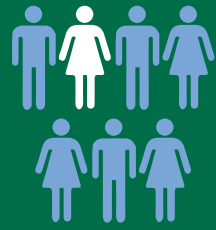


A woman can expect to live, on average, until age **86.8**

## Did you also know?



One in three  
65-year-old individuals can  
expect to live **past age 90**.



One in 7  
65-year-old individuals can  
expect to live **past age 95**.

For the average  
65 year-old couple,  
there is a:



75% chance one spouse can  
expect to live **until age 85**

49% chance one spouse can  
expect to live **until age 90**

20% chance one spouse can  
expect to live **until age 95**<sup>3</sup>



**Important to note:** If you and your spouse anticipate having a normal life expectancy, then you may want to consider starting to draw your Social Security benefits no sooner than FRA or as late as age 70. If you delay taking your Social Security benefits, your benefit amount may increase each year until you reach age 70.

### It's not a guessing game: We're here to help!

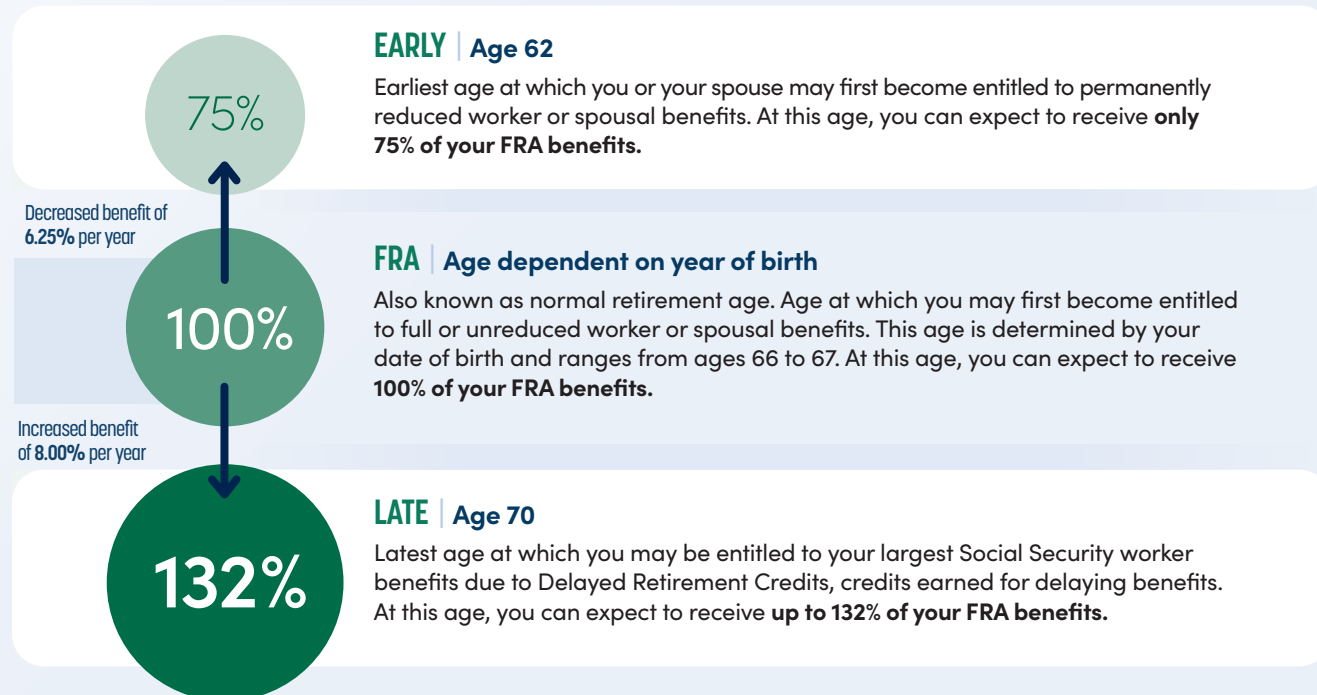
GuideStone provides easy-to-use Social Security benefits calculators for your planning convenience at [GuideStone.org/Calculators](https://www.guidestone.org/Calculators). You can also visit the SSA's personalized benefits estimator at [SocialSecurity.gov/Estimator](https://www.SocialSecurity.gov/Estimator).

## Learn the Ropes: The Social Security Timeline



### Receive Added Benefits for Waiting<sup>4</sup>

Social Security rewards those who wait. The longer you delay, the higher your benefit amount:



## Recognize Potential Deductions: Continued Employment and Taxation

➤ It is important to be aware of other factors that can potentially reduce your Social Security benefits. Such factors may include your employment status (whether or not you decide to continue working while collecting benefits early) as well as consequent taxation rules.

### What happens if I plan to collect benefits and continue working?

If you start receiving benefits before you reach your FRA and continue to work (earning more than \$21,240 in 2023),<sup>5</sup> then your benefits will be reduced due to the earnings test. Visit the Social Security Administration's retirement earnings test calculator to see where you stand.<sup>6</sup>

### How will my benefits be taxed?

If you and your spouse file a joint federal tax return and your combined income (adjusted gross income + non-taxable interest + one-half of Social Security benefits) is between \$32,000 and \$44,000, then up to 50% of your benefits is included in your taxable income. If your combined income is greater than \$44,000, then up to 85% of your benefit is included in your taxable income.<sup>7</sup>



**Important to note:** Special rules apply if you or your spouse received a pension from a federal, state or local government agency or related employer.



# Plan for Social Security Today

## Establish a Personal Savings Plan for Your Retirement

Supplementing Social Security benefits with a healthy retirement savings — via your employer-sponsored retirement plan — is vitally important. If you have a healthy retirement savings or income to live on while delaying your claim, then you may benefit from maximizing your Social Security benefits.

## Will Social Security benefits be available when I choose to claim benefits?

Concerns regarding the long-term availability of Social Security benefits have become increasingly prevalent.

In the last Social Security trustees report,<sup>9</sup> it was projected that the Trust has enough assets to pay up to the year:



 **Note:** The projected reduction following 2035 may be remedied by small changes in Social Security or tax regulations.

Remember, it's important to understand your benefits and avoid getting sidetracked by Social Security fund solvency concerns.

## Take It One Step at a Time

➤ You now have the essentials needed to develop a personalized plan for claiming and maximizing Social Security benefits.

Maximizing Social Security benefits is a great option if you can afford it and/or are able to keep working past your FRA, but it is not the right fit for everyone. Consider your retirement savings and employment situation as well as your family's health and longevity to decide what's best for your specific situation.

Remember, Social Security is a financial safeguard for many, but it **should not be the sole source** of your retirement income. Supplementing Social Security benefits with funds from your personal or retirement savings may help ensure you won't outlive your retirement assets.



To learn more about your Social Security options and maximization, contact GuideStone at 1-888-98-GUIDE (1-888-984-8433).

<sup>1</sup> Social Security Administration: Full Retirement and Age 62 Benefit By Year Of Birth, accessed March 2022, [SSA.gov/benefits/retirement/planner/agereduction.html](https://www.ssa.gov/benefits/retirement/planner/agereduction.html).

<sup>2</sup> Social Security Administration: 2023 Life Expectancy Data, accessed January 24, 2023, [SSA.gov/planners/lifeexpectancy.html](https://www.ssa.gov/planners/lifeexpectancy.html).

<sup>3</sup> <https://am.jpmorgan.com/us/en/asset-management/adv/insights/retirement-insights/guide-to-retirement/guide-to-retirement-slides/guide-to-retirement-retirement-landscape/gtr-expectancy/>

<sup>4</sup> [SSA.gov/benefits/retirement/planner/1943-delay.html](https://www.ssa.gov/benefits/retirement/planner/1943-delay.html)

<sup>5</sup> [SSA.gov/pubs/EN-05-10069.pdf](https://www.ssa.gov/pubs/EN-05-10069.pdf)

<sup>6</sup> [SSA.gov/oact/cola/RTeffect.html](https://www.ssa.gov/oact/cola/RTeffect.html).

<sup>7</sup> [SSA.gov/benefits/retirement/planner/taxes.html](https://www.ssa.gov/benefits/retirement/planner/taxes.html)

<sup>8</sup> [SSA.gov/oact/TRSUM/](https://www.ssa.gov/oact/TRSUM/)



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