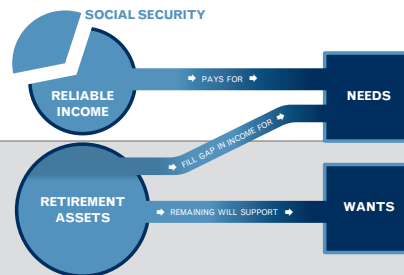


MAXIMIZING YOUR SOCIAL SECURITY RETIREMENT BENEFITS

Take the first step toward understanding when and how to apply.



KEY TAKEAWAYS

Deciding when and how to start drawing Social Security retirement benefits involves a number of factors specific to each investor's personal situation.



Delaying benefits as long as you can will increase the amount you are eligible to receive.



Consult with your financial advisor to address each decision factor as it pertains to your circumstances, and develop a plan to get the most from your benefits.

SOCIAL SECURITY AS PART OF YOUR UNIQUE RETIREMENT PLAN

Baby boomers – on average – are living longer than any previous generation. While that’s good news, it also presents several new challenges. A longer life increases the likelihood that you’ll have increased medical and long-term care expenses. The value of your nest egg will be more significantly impacted by increases in the cost of living over a longer term. And, quite simply, you could outlive your money.

When you consider all of these factors, it’s more important than ever to make calculated decisions about when to begin drawing Social Security benefits within the context of your overall retirement income plan. Alongside other sources of income, Social Security is a critical asset to plan for in retirement, so it’s important to develop a strategy to maximize the value of it. Evaluating a number of decision factors can help you to maximize your Social Security retirement benefits and even your survivors’ benefits. In fact, working with your financial advisor to plan for Social Security benefits can prove to be one of the most important parts of crafting your retirement plan.

This paper is designed to give you an overview of the critical factors that relate to your benefits. This is the first step to developing a basic understanding of how your Social Security benefits work. The next step is to consult with your financial advisor to address each factor as it pertains to you, and develop a plan to get the most out of your benefits when combined with your other sources of retirement income.

If you are considering applying for benefits soon, you’re likely concerned with four primary decision factors:

- 1**

Your Age

When should you draw benefits?
- 2**

Your Job

How do earnings impact your benefits?
- 3**

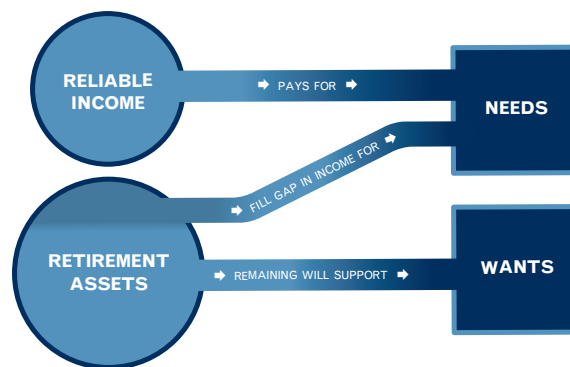
Your Taxes

How are benefits taxed when combined with other retirement income?
- 4**

Your Marriage

How do spousal and survivor benefits work?

YOUR RETIREMENT INCOME PICTURE



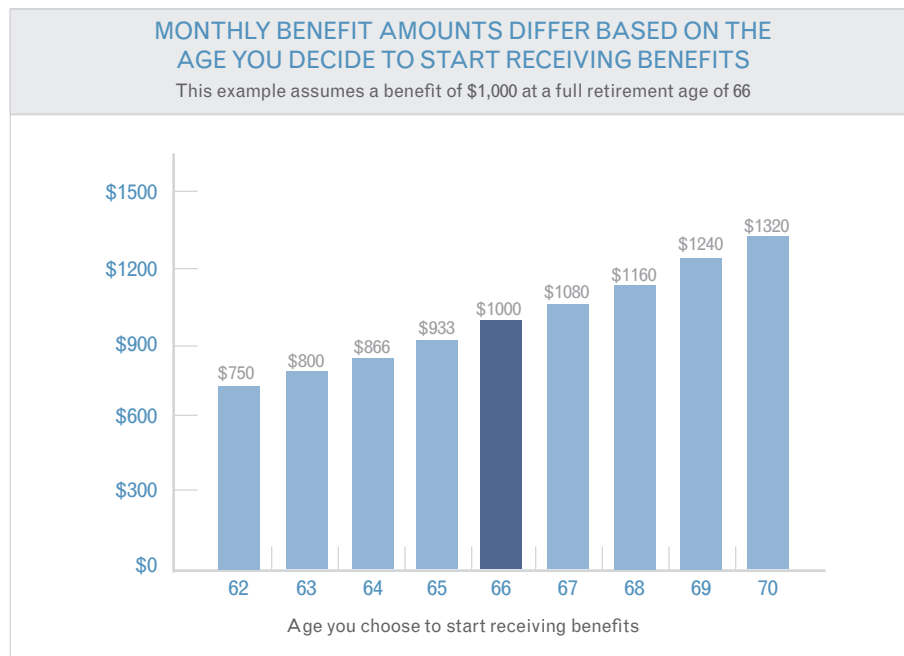
Within your retirement income plan, Social Security retirement benefits should be considered a critical asset alongside other sources of reliable income.

KEY ISSUES TO ADDRESS BEFORE DRAWING SOCIAL SECURITY BENEFITS

YOUR AGE: WHEN SHOULD YOU DRAW BENEFITS?

Perhaps the most impactful decision you can make regarding Social Security benefits is at what age to begin drawing them. Your full retirement age (FRA) falls between ages 65 and 67, depending on the year in which you were born. (See the table on page 4 to determine your full retirement age.)

You may be eligible to draw benefits sooner than your FRA – as early as age 62 – but this will permanently reduce the payout you are eligible to receive. On the other hand, if you elect to delay benefits until after your FRA (up to age 70), you will receive an increased benefit.



Source: Social Security Administration, www.ssa.gov

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Delaying benefits beyond your FRA – up to age 70 – will increase your benefits through Delayed Retirement Credits. Conversely, drawing benefits before your FRA will reduce your payout.

Full retirement age (FRA)

Full retirement age is age 66 for anyone born from 1943 through 1954. Reduced benefits are still available starting at age 62.

- If you were born between 1954 and 1960, full retirement age is 66 plus 2-month increments depending on the year you were born (see the table below).
- If you were born in 1960 or later, full retirement age is 67.

Delayed retirement credit

Once you reach full retirement age, a delayed retirement credit is applied to your benefits for each full year that you delay drawing benefits. The delayed retirement credit is 8% per year for those born in 1943 or later. The credit stops once you reach age 70.

Benefit limit

In 2015, the maximum payout for any beneficiary is \$2,663 per month.

Year of birth	Full retirement age	Percentage of full benefits received at 62	Yearly increase if retirement delayed beyond FRA
1937 or earlier	65	80%	–
1938	65 and 2 months	79.1	–
1939	65 and 4 months	78.3	–
1940	65 and 6 months	77.5	–
1941	65 and 8 months	76.6	7.5%
1942	65 and 10 months	75.8	7.5
1943 – 1954	66	75	8
1955	66 and 2 months	74.1	8
1956	66 and 4 months	73.3	8
1957	66 and 6 months	72.5	8
1958	66 and 8 months	71.6	8
1959	66 and 10 months	70.8	8
1960 or later	67	70	8

Source: Social Security Administration, www.ssa.gov



The full retirement age for Social Security retirement benefits is gradually rising to age 67, but the Medicare eligibility age of 65 is not scheduled to increase.

It is important to sign up for Medicare at age 65 regardless of whether you apply for Social Security benefits.

YOUR JOB: HOW DO EARNINGS IMPACT YOUR BENEFITS?

If you are employed and earning an income, it may be to your advantage to continue working and delay drawing Social Security until full retirement age to avoid a potential reduction in benefits.

If you elect to start drawing benefits before reaching your full retirement age, they will be reduced by \$1 for every \$2 of annual earnings above \$15,720. If you reach full retirement age in 2015, the earnings limit is \$41,880 through the months before your birthday. Above that, the reduction is \$1 for every \$3. If you continue to work, there are no earnings limits after reaching full retirement age and you will receive your full benefit.

	2015 Earnings Limit	2014 Earnings Limit
Under FRA \$1 of benefits withheld for every \$2 in earnings above the limit	\$15,720	\$15,480
Year individual reaches FRA \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to attaining FRA	\$41,880	\$41,400
Month individual reaches FRA and beyond Reduction no longer applies	Unlimited	Unlimited

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Continuing to work beyond your full retirement age might also allow more time to contribute to qualified retirement plans, potentially accruing higher gains than you might have otherwise.

YOUR TAXES: HOW ARE BENEFITS TAXED WHEN COMBINED WITH OTHER RETIREMENT INCOME?

Social Security benefits may be taxed depending on your total annual income, including job earnings, pensions, investment interest, even tax-exempt interest, are included, as well as other sources such as annuity payments.

There are different thresholds depending on your filing status and provisional income.* If your preliminary adjusted gross income falls within these thresholds, a portion of your Social Security benefit must be included as taxable income on your federal tax return.

It's important to consult both your financial advisor and tax professional for guidance on your unique situation.

Filing Status	Provisional Income	% of Benefit Taxed
Single	<\$25,000	0%
	\$25,000-\$34,000	50%
	>\$34,000	85%
Married, filing jointly	<\$32,000	0%
	\$32,000-\$44,000	50%
	>\$44,000	85%

*The Provisional Income formula is the sum of: Modified Adjusted Gross Income (MAGI) plus any tax-exempt interest plus 50% of Social Security benefits.

YOUR MARRIAGE: HOW DO SPOUSAL AND SURVIVOR BENEFITS WORK?

There are three critical factors in determining Social Security benefits for spouses: length of marriage, work history and the age of both spouses. You need 10 years of work history (40 credits) to qualify for your own benefits, which will be based on an average of the 35 years in which you earned the most. Higher lifetime earnings result in higher benefits, and if there are years in which you earned low or no income, your benefit amount may be lower than if you had worked steadily.

This is why many women qualify for a higher benefit based on their husband's work history over their own. When applying for Social Security benefits, each spouse will automatically receive the highest amount for which they are eligible.

To receive benefits based on a spouse's work history:

- Both spouses must be at least age 62
- They need to have been married for at least one year or have a dependent child together, or 10 years for an unmarried divorced spouse
- The spouse with the longer work history or higher estimated benefit must actually apply for Social Security retirement benefits in order for the other spouse to collect. (However, he/she can then choose to delay collecting benefits until later, when he or she may qualify for a higher benefit.)

If the higher-earning spouse elects to receive benefits after attaining full retirement age, the other spouse may receive a spousal benefit of up to 50% of the higher-earner's benefit. If the higher earner starts drawing before his or her FRA, their benefit and the spousal benefit will each be reduced.



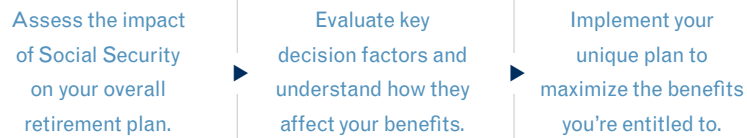
A widow(er) may receive survivor benefits at age 60 or at any age if he or she has a child under age 16 or disabled. Should the widow(er) remarry, the Social Security benefit for the widow(er) will terminate – but the benefit for the eligible child will not.

NEXT STEPS

There are a myriad of different scenarios that may impact your decision about when to apply for – and begin drawing – your Social Security benefits. Since each individual's situation is unique, it's important to seek guidance on how to maximize your benefits. Begin the process by meeting with your financial advisor to take a comprehensive look at your unique situation in the context of your overall retirement plan.

WORK WITH YOUR FINANCIAL ADVISOR

Your financial advisor has the tools, resources and expertise to help you understand the decisions you face.



Please note that changes in tax laws or regulations may occur at any time and could substantially impact your situation. Raymond James financial advisors do not render advice on tax or legal matters. You should discuss any tax or legal matters with the appropriate professional.

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