

Help Your Clients Navigate Social Security Benefits

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Course Objectives

Nearly every prospective retiree faces the decision about when to begin receiving Social Security payments, a reality that becomes even more complicated when coordinating benefits for couples...and the various assets and other retirement income sources the couple may have. This Kitces Course will not only provide you with a stronger knowledge of Social Security planning for couples, but also empower you with the ability to apply these concepts when working with your own clients. Specifically, advisors will learn to:

- Speak confidently to client couples about navigating Social Security claiming decisions
- Provide value to clients by increasing their lifetime retirement income through optimal claiming strategies
- Coordinate Social Security claiming strategies with the rest of the advisor's portfolio recommendations

Module 1: The Social Security Statement

In this module, you will learn:

- Who gets a statement and when
- Key sections of the Social Security statement
- Assumptions that underlie benefits projections
- Setting up an account with mySSA

After completing this module, you will be able to:

- Discuss the different sections in a Social Security statement as well as what is covered in each
- Explain why benefits projections on Social Security statements are likely different than those that will actually be received
- Guide clients through the process of establishing a "my Social Security" account

Module 2: How Benefits Are Calculated

In this module, you will learn:

- Average Indexed Monthly Earnings (AIME)
- Full Retirement Age (FRA)

- Primary Insurance Amount (PIA)
- Early Retirement Reductions
- Delayed Retirement Credits

After completing this module, you will be able to:

- Estimate an individual's Primary Insurance Amount (PIA) and the amount of Average Indexed Monthly Earnings (AIME) it will replace using the Social Security bend points
- Calculate how Social Security benefits are increased or decreased by either starting them before or delaying them until after Full Retirement Age (FRA)
- Compare how the impact of the Earnings Test compares to starting benefits early

Module 3: The Breakeven Point For Delaying Social Security

In this module, you will learn:

- Who gets a statement and when
- Key sections of the Social Security statement
- Assumptions that underlie benefits projections
- Setting up an account with mySSA

After completing this module, you will be able to:

- Discuss the different sections in a Social Security statement as well as what is covered in each
- Explain why benefits projections on Social Security statements are likely different than those that will actually be received
- Guide clients through the process of establishing a "my Social Security" account

Module 4: Social Security Spousal Benefits

In this module, you will learn:

- How spousal benefits are determined
- Deemed filing rules for spousal benefits
- Spousal benefits for divorcees
- Eligibility and entitlement for spousal benefits

After completing this module, you will be able to:

- Calculate spousal benefits and the consequences of either spouse starting benefits early
- Determine when someone is entitled and eligible to receive spousal benefits (as a spouse or ex-spouse)
- Determine the impact of deemed filing on what benefits will actually be received and the consequences of delaying

Module 5: Social Security Survivor Benefits

In this module, you will learn:

- How survivor benefits are determined
- Survivor benefits for divorcees
- Eligibility and entitlement for survivor benefits

After completing this module, you will be able to:

- Calculate survivor benefits and the consequences of either spouse starting benefits early
- Determine when someone is entitled and eligible to receive survivor benefits (as a spouse or ex-spouse)

- Compare the benefits of delaying individual retirement versus survivor benefits when eligible for both

Module 6: Coordinating Social Security Benefits for Couples

In this module, you will learn:

- Interplay of individual, spousal, and survivor benefits
- When both, either, or neither member of a couple should delay
- Optimizing couples' benefits
- How the earnings test impacts a couple's delay decision

After completing this module, you will be able to:

- Explain how the claiming decision of one member of a couple can impact the other
- Compare which life expectancy factors to use depending on whether either, both, or neither member of a couple should delay benefits
- Choose the most optimal Social Security benefits strategy for a married couple when considering life expectancy expectations

Module 7: Coordinating Social Security Timing With Other Resources

In this module, you will learn:

- How to compare the delay of Social Security benefits to other investment choices
- Comparing Social Security delay to other guaranteed income streams
- Coordinating Social Security delay with portfolio spend-down strategies

After completing this module, you will be able to:

- Explain how delaying Social Security and subsequent life expectancy compares to other investment choices
- Compare the additional benefits of delaying Social Security to other guaranteed income options alternatives

- Compare the IRR of delaying Social Security to prospective stock or bond investment returns

Module 8: The Social Security Application Process for Couples

In this module, you will learn:

- Before Applying
- Guiding Your Clients
- Information Needed
- Documents May Be Needed
- Application Options
- Tips Before Starting
- Online Application - Part 1, General Information
- Online Application - Part 2 Application Sections
- Once You Have Applied

After completing this module, you will be able to:

- Discuss the client's personal details and other information needed to make an application
- Guide clients through the online process and answer associated questions
- Explain the steps of the application approval process and timing of benefits starting

Module 9: Client Conversations Around Social Security

In this module, you will learn:

- Longevity insurance/breakeven
- Social Security solvency/means testing
- Talking about "The Ex"

After completing this module, you will be able to:

- Discuss common sensitive and challenging issues surrounding Social Security and benefits planning

Module 10: Special Social Security Planning Situations

In this module, you will learn:

- Disability benefits
- Children's benefits
- Family maximum benefit
- Windfall Elimination Provision (WEP) & Government Pension Offset (GPO)

After completing this module, you will be able to:

- Identify when children can qualify to receive benefits, and how they can be impacted by the family maximum benefit
- Determine eligibility for and amount of potential disability benefits
- Identify situations where WEP and/or GPO may apply to individual, spousal, or survivor benefits