



FOCUSED PLANNING

SOCIAL SECURITY ANALYSIS

Prepared For:
Mr. & Mrs. Valued Client

Presented By:
Financial Professional
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Upon reaching retirement, individuals need to make decisions with regard to claiming various income streams like Social Security. The following analysis was developed to assess the options available, the effect of timing, and the benefits and consequences of alternative claiming scenarios. This analysis is designed to be educational in nature and not intended to provide specific investment, legal, tax, or accounting advice. Please consult a professional attorney, tax advisor or financial professional to discuss your unique situation.

CLAIMING OPTIONS

Personal Information

Name	Date of Birth	Age	Full Retirement Age (FRA)	Estimated FRA Benefit	Retirement Age	Government Pension?
Mr. Valued Client	01/06/1957	66	66 6/12	\$42,072 (Annually)	66	No
Mrs. Valued Client	02/14/1960	63	67	\$19,542 (Annually)	63	No

The information below estimates the range of social security and spousal benefits an individual will be entitled to receive if they were to apply for benefits based on their participation in social security. Retirement benefits based on your own work record can be claimed as early as age 62 and as late as age 70; however, spousal benefits can only be utilized once both spouses have claimed.

Claiming Options - Mr.

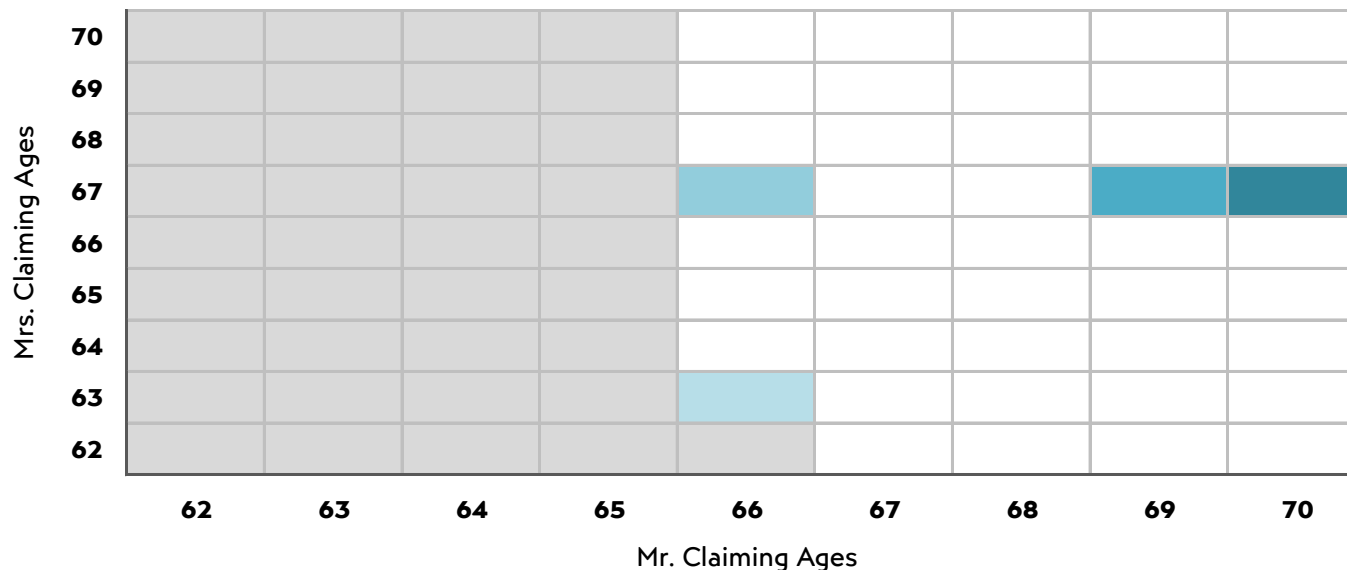
Claim Age	Adjustment	Annual Benefit	Retirement Benefits	Spousal Benefits	Adjustment	Annual Benefit	Greatest Benefit Available Once Both Spouses Are Claiming
62	73%	\$30,502			34%	\$6,595	Retirement
63	78%	\$32,606			36%	\$7,084	Retirement
64	83%	\$35,060			40%	\$7,735	Retirement
65	90%	\$37,865			44%	\$8,550	Retirement
66	97%	\$40,670			48%	\$9,364	Retirement
66 6/12	100%	\$42,072			50%	\$9,771	Retirement
67	104%	\$43,755			50%	\$9,771	Retirement
68	112%	\$47,121			50%	\$9,771	Retirement
69	120%	\$50,486			50%	\$9,771	Retirement
70	128%	\$53,852			50%	\$9,771	Retirement

Claiming Options - Mrs.

Claim Age	Adjustment	Annual Benefit	Retirement Benefits	Spousal Benefits	Adjustment	Annual Benefit	Greatest Benefit Available Once Both Spouses Are Claiming
62	70%	\$13,679			33%	\$13,673	Retirement
63	75%	\$14,657			35%	\$14,725	Spousal
64	80%	\$15,634			38%	\$15,777	Spousal
65	87%	\$16,936			42%	\$17,530	Spousal
66	93%	\$18,239			46%	\$19,283	Spousal
67	100%	\$19,542			50%	\$21,036	Spousal
68	108%	\$21,105			50%	\$21,036	Retirement
69	116%	\$22,669			50%	\$21,036	Retirement
70	124%	\$24,232			50%	\$21,036	Retirement

BREAKEVEN ANALYSIS

Optimizing benefits is dependent on various factors including but not limited to life expectancy, risk tolerance, liquidity needs, and overall financial situation. The chart below can be used to determine which claiming ages would provide the highest aggregated value of benefits for Mr. and Mrs. at a given joint life expectancy (highlighted).



Life Expectancy	Claim Ages (M/M)	Mr. - Benefit	Mrs. - Benefit	Aggregated Value of Benefits
10 Years	66 / 63	Retirement - \$40,670	Spousal - \$14,725	\$762,352
15 Years	66 / 63	Retirement - \$40,670	Spousal - \$14,725	\$1,334,817
20 Years	66 / 67	Retirement - \$40,670	Spousal - \$21,036	\$2,110,485
25 Years	69 / 67	Retirement - \$50,486	Spousal - \$21,036	\$3,187,365
30 Years	70 / 67	Retirement - \$53,852	Spousal - \$21,036	\$4,623,985
35 Years	70 / 67	Retirement - \$53,852	Spousal - \$21,036	\$6,498,391

Benefits assume an annual cost of living adjustment of 1.00%
 Aggregated value of benefits assumes an annual 5.00% net rate of return

Survivor Benefits

If you are a widow(er), you may be eligible to receive survivor benefits as early as age 60. If you already receive spousal benefits, your benefit will automatically convert to a survivor benefit (i.e., keep the higher of the two benefits). If you are also eligible for retirement benefits, but haven't applied yet, you have an additional option. You can apply for a retirement or survivor benefit now and switch to the other (higher) benefit later. For those already receiving retirement benefits, you can only apply for benefits as a surviving spouse if the retirement benefit you receive is less than the benefits you would receive as a survivor. Using the 35 year life expectancy, the present value of lost benefits is \$330,926 if one spouse dies today.

DISCLOSURES

General Disclosures and Additional Information

The social security benefits summarized above do not consider reductions for earned income prior to Full Retirement Age (FRA) or during the year Full Retirement Age is reached.

After 4/29/2016, spousal benefits may no longer be collected until the income earner begins collecting their own benefits

This piece is educational in nature and not intended to provide specific investment, legal, tax, or accounting advice. Please consult a qualified tax professional, attorney, or financial advisor before considering any ideas presented. Expenses, tax liability, gross return, and time horizon are all hypothetical in nature. Each variable should be closely considered based on each individual's unique time horizon, investment objective, and risk tolerance.

Full Retirement Age

Full retirement age is the age at which a person may first become entitled to full or unreduced social security benefits.

Year of Birth	1943 through 1954	1955	1956	1957	1958	1959	1960 and later
Full Retirement Age:	66	66 & 2 months	66 & 4 months	66 & 6 months	66 & 8 months	66 & 10 months	67

Reductions in Retirement Benefits for Claiming Before FRA

Social security retirement benefits may begin as early as age 62. However, claiming prior to FRA will result in a permanent reduction in benefits. The largest reductions are 25% and 30% for those with an FRA of 66 and 67, respectively. The monthly reduction for claiming early is 5/9ths of 1% (equivalent to 6.67% per year) for the first 36 months and 5/12ths of 1% (equivalent to 5.00% per year) thereafter.

Delayed Retirement Credits for Claiming After FRA

If you choose to delay claiming social security benefits beyond FRA, you will receive an increase in your benefit of 8% per year up to age 70. After age 70, there are no further credits for delaying benefits. The credit for claiming after FRA is 2/3 of 1% for each month beyond FRA.

Spousal Benefits

If you are receiving social security retirement benefits, your spouse may qualify to receive benefits based on your record. Your spouse may receive a monthly payment of up to 50% of your FRA benefit. These payments will not reduce your retirement benefit.

Reductions in Spousal Benefits for Claiming Before FRA

Social security spousal benefits may begin as early as age 62. However, claiming prior to FRA will result in a permanent reduction in benefits. The largest reductions are 30% and 35% for those with an FRA of 66 and 67, respectively. The monthly reduction for claiming early is 25/36ths of 1% (equivalent to 8.33% per year) for the first 36 months and 5/12ths of 1% (equivalent to 5.00% per year) thereafter.

Pensions Based on Earnings Not Covered by Social Security

When an individual is entitled to receive a public/government pension, their Social Security benefits (based off of their own work record), their spousal benefits, or survivor benefits could be offset by the Windfall Elimination Provision (WEP) and/or the Government Pension Offset (GPO). These calculations are built into the analysis above.

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