



# 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 challenging. Social Security benefits are not designed to be the sole source of your retirement income but rather a part of your overall withdrawal strategy. Understanding 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 may give you an advantage as you plan your retirement income strategy.**

## Who qualifies for Social Security?

You are eligible if you are at least 62 years or older and you've worked and paid Social Security taxes for 10 years or more. Spouses of individuals who qualify for Social Security may also be eligible 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 delaying 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 impacts the amount you will receive in monthly benefits.

## How long can I expect to live?

When determining what age to start drawing Social Security benefits, taking into consideration your projected life expectancy can be helpful. According to 2024 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 **86.9**

## Did you also know?<sup>3</sup>



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**.<sup>3</sup>

### 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.ssa.gov/estimator).

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



71% chance one spouse can expect to live **until age 85**

43% chance one spouse can expect to live **until age 90**

15% chance one spouse can expect to live **until age 95**<sup>4</sup>



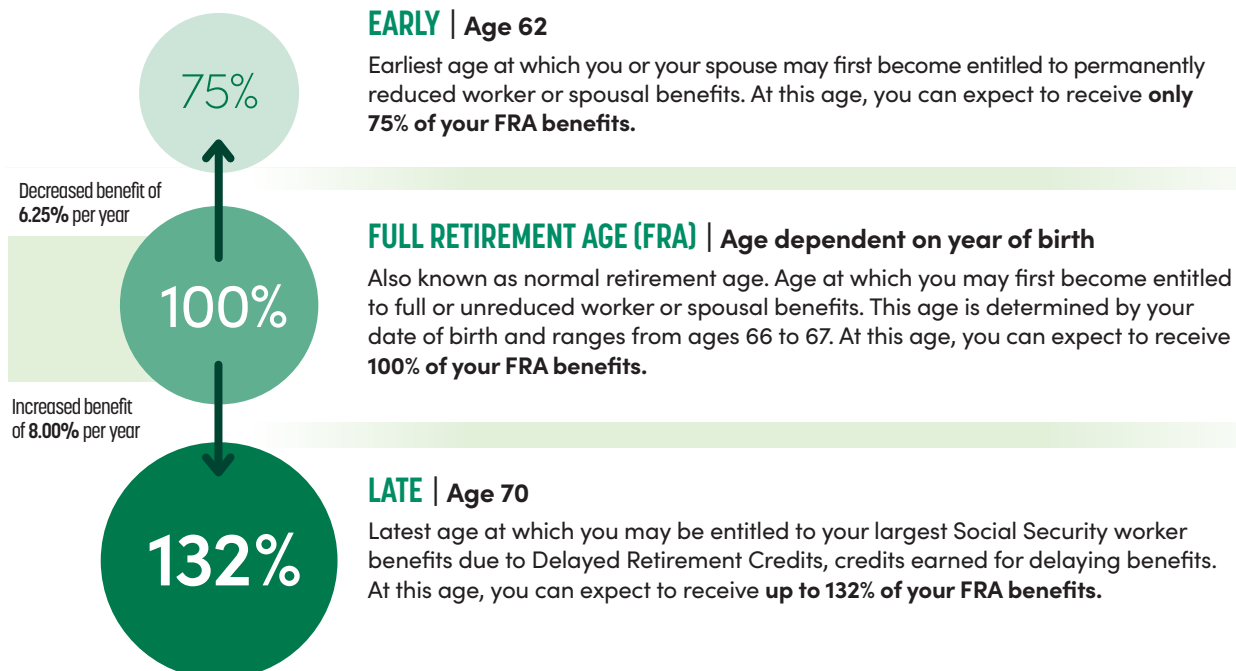
**Important to note:** If you and your spouse anticipate having a normal life expectancy, then you may want to consider starting to draw your Social Security benefits no sooner than FRA or as late as age 70. If you delay taking your Social Security benefits, your benefit amount may increase each year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

## Learn the Ropes: The Social Security Timeline



### Receive Added Benefits for Waiting

Social Security rewards those who wait. The longer you delay, the higher your benefit amount:<sup>5</sup>



# 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 \$22,320 in 2024),<sup>6</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>7</sup>

## How will my benefits be taxed?

Fifty percent of benefits may be taxable if your combined income (adjusted gross income + non-taxable interest + one-half of Social Security benefits) is between \$25,000-\$34,000 if you file individually, or \$32,000-\$44,000 if you and your spouse file jointly. Up to 85% of benefits may be taxable if income is more than \$34,000 when filing individually or more than \$44,000 when filing jointly.<sup>8</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.

## 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 potential Social Security or tax regulations.

## Take It One Step at a Time

Maximizing Social Security benefits may be beneficial 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,**  
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 July 18, 2024, [SSA.gov/benefits/retirement/planner/agereduction.html](https://www.ssa.gov/benefits/retirement/planner/agereduction.html).

<sup>2</sup> Social Security Administration: 2024 Life Expectancy Data, accessed July 18, 2024, [SSA.gov/OACT/population/longevity.html](https://www.ssa.gov/OACT/population/longevity.html)

<sup>3</sup> <https://www.ssa.gov/pubs/EN-05-10529.pdf>

<sup>4</sup> <https://AM.JPMorgan.com/content/dam/jpm-am-aem/global/en/insights/retirement-insights/guide-to-retirement-us.pdf>

<sup>5</sup> [SSA.gov/benefits/retirement/planner/1943-delay.html](https://www.ssa.gov/benefits/retirement/planner/1943-delay.html)

<sup>6</sup> Social Security Administration: How Work Affects Your Benefits, accessed July 18, 2024. [SSA.gov/pubs/EN-05-10069.pdf](https://www.ssa.gov/pubs/EN-05-10069.pdf)

<sup>7</sup> [SSA.gov/oact/cola/RTeffect.html](https://www.ssa.gov/oact/cola/RTeffect.html)

<sup>8</sup> [IRS.gov/newsroom/irs-reminds-taxpayers-their-social-security-benefits-may-be-taxable](https://www.irs.gov/newsroom/irs-reminds-taxpayers-their-social-security-benefits-may-be-taxable)

<sup>9</sup> [SSA.gov/oact/TRSUM/](https://www.ssa.gov/oact/TRSUM/)

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