



Undoing Social Security decisions

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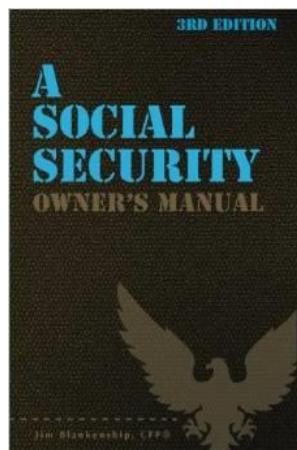
Have you ever made a decision you later regretted? Wouldn't it be nice if you had a chance to rewind the clock? In many areas of life this is not an option but when it comes to collecting Social Security benefits there are actually a couple of ways to undo your benefit decision.

Why would anyone want to change their benefit once it began? Besides winning the lottery, perhaps you received an inheritance or had another change in your financial circumstances resulting in less dependence on Social Security benefits for income. Or maybe you decided to go back to work because golfing everyday started losing its appeal. Finally, maybe you realized claiming early was just a poor decision because of the reduction in future benefits which can have a significant impact on you as well as your spouse.



If you started claiming benefits in the last 12 months, you can unwind the whole decision as if it never happened in the first place. In order to do this you need to repay any benefits received. If you paid taxes on the income in a previous year, you can receive a credit or deduction for the tax paid. In the future, when you apply for benefits, the new benefit amount is based on the new application date removing the penalty for filing early.

If it's been more than a year since you started collecting benefits, all is not lost as there are two additional opportunities. If you're still below your Full Retirement Age (typically age 66 for most people facing this decision), you can earn above certain amounts from wages or self-employment income which results in benefits being withheld. People often confuse this as losing benefits but your benefit is actually increased at Full Retirement Age as if you had never collected the benefit. In other words, the impact is the same as if you suspended benefits resulting in a higher future benefit amount.



A third strategy to consider is only available once you reach Full Retirement Age which also involves suspending your payment resulting in benefit increases of 8 percent per year until age 70. These increases are added to the monthly benefit you received until suspending benefits but could potentially increase your total benefit by 32% over the four years!

A survey released last year, indicated almost 40 percent of people who started collecting their benefit early now regret it. Will you be one of them?

To learn more about Social Security, I recommend Jim Blankenship's book "A Social Security Owner's Manual".



Justin's quote of the month

Each month, Justin Moilanen features his top picks for things to read, watch, and listen to and shares links to those items on our social media pages and in our electronic newsletter. Here is one of his favorite quotes from this month's picks:

"You can't connect the dots looking forward you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future. You have to trust in something: your gut, destiny, life, karma, whatever. Because believing that the dots will connect down the road will give you the confidence to follow your heart, even when it leads you off the well-worn path." – from Steve Jobs - 2005 Stanford University Commencement Speech

Save the date! March 19 Social Security & You workshop

Always well attended, this workshop is led by Justus Morgan, CFP® and Justin Moilanen and features the basics of Social Security. You'll learn how benefits are determined for workers, spouses, and surviving spouses, the interaction between claiming now versus delayed benefits, and how different claiming strategies can significantly impact your retirement income sustainability.

This interactive presentation to be held at our office **on March 19 from 6:30 p.m. to 8 p.m. is for individuals and couples getting close to the age when they may start collecting Social Security retirement benefits.** The workshop is open to the public and current clients are welcome to invite guests.

To reserve your seat, please call our office at (262) 554-4500. Seating is limited.



Same great location, new great address!

We've been notified by the US Postal service that effective immediately our city mailing address has changed from Racine to Mount Pleasant. Don't worry, we haven't changed locations and we're still a proud member of the Racine community. You'll start seeing the Mount Pleasant address phased in over time and we wanted you to know what's up!