

The Workbook:

Nuts and Bolts for a Worry-Free Retirement on Your Social Security

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How to Use This Workbook

Before sharpening your pencil, digging out your calculator, or switching on your laptop, make sure you've read ***Social Security Secrets: How to Maximize Your Income for a Worry-Free Retirement*** from cover to cover. No matter where you are in your retirement-planning journey, this book was written to help you fully understand how to make the most out of what is probably the biggest financial decision of your life: how and when to collect your Social Security benefits.

Once you have read all of the information that the book provides, you should have the tools you need to complete the activities listed in this workbook. However, if you are uncertain about anything, feel free to go back and revisit what Steve has written.

This workbook isn't "homework" to be graded—it's a tool to help you organize the information you need to make the most out of the strategies outlined in the book.

Now, if you're ready, make a cup of coffee, get comfortable, and start on your way to the retirement you deserve.

Activity # 1: Discover Your Estimated Social Security Benefit Online

The Social Security Administration (SSA) website provides an online estimate calculator to determine what your Social Security benefit would be once you reach your Full Retirement Age (FRA). The site does this by combining information you provide with your Social Security earnings record from the SSA database.

It's easy and quick, but we're going to walk you through the steps right here.

Here's what you have to do:

1. Go to the official SSA Estimator by typing this address into your browser: www.ssa.gov/retire/estimator.html.

2. Scroll down and click on the button that says "Estimate Your Retirement Benefits."

3. You will be directed to a new page. On this page, enter this information:

- Your name
- Your other last name (if the one on your most recent Social Security card is different than what you currently use)
- Your maiden name (if applicable)

- Your mother’s maiden name
- Your Social Security Number
- Your date of birth
- Your place of birth (use the drop-down list)

4. Before clicking “Submit,” make sure you’ve reviewed the “Terms of Service.” If these terms are acceptable to you, check the box that says “I agree to the Terms of Service.” Then click on the button that says “Submit.”

NOTE: At this point you might encounter a discrepancy between what you think is your identifying information and what the SSA has in its files. After three “tries” you will be frozen out of the account if there is still a problem. In this event, you will have to visit a local office where you will be required to provide sufficient documentation to establish your identity to the SSA’s satisfaction. It can require more than one visit. Although annoying, keep in mind that this is part of the administration’s effort to protect you.

5. On the next screen, locate the field that says “Last year’s earnings,” and fill it out. **Tip:** Don’t waste time looking for the exact number on your tax return. Providing this number will allow the SSA Estimator to give you a more accurate estimate of your future benefits, but your best guess will suffice. After you’ve done this, click on the button that says “Next.”

6. This is the screen you’ve been waiting for! You should now see the current estimate of your benefit should you claim it at your Full Retirement Age, along with the amount of earnings that this estimate assumes you will earn each year until you’ve reached your FRA.

Below this, you’ll see the current estimate of your benefits at age 70 and at 62 with the same earnings assumption. (If you are already older than 62, the Estimator will tell you what your benefit would be if you file now.)

7. Print this page and keep it in your files for easy reference. Don’t worry: The page doesn’t show any personal information such as your name or your Social Security Number, so no one can use it in a harmful manner.

8. If applicable, repeat these steps to find out the estimate for your spouse.

Bonus Activity: Find “Alternative” Estimates

While you’re logged into the SSA Estimator, here’s another valuable exercise to do. After finding out your estimate for your benefit at your FRA, discover some alternatives. You may not plan on working until you’re 70, and this will show you the effect quitting work before claiming will have on your benefit.

Do this by clicking on “Add a New Estimate.” You can now enter the age at which you expect to stop working and the amount of earnings you think you’ll have up to that age. Click “Submit,” and the SSA Estimator will calculate your future benefit estimates.

Tip: You can do this as many times as you like. You may be surprised to see how little working more or fewer years changes your benefit estimate!

Activity # 2: Calculate a Simple Starter Budget Plan

This worksheet will help you create a blueprint for your starter retirement budget. This is the budget you would use from now until you begin to collect Social Security at age 70. It may seem overly simple, but it will give you a good idea of what you'd need. Make sure that you fill out this activity with a pencil so that you can erase and make any changes to your plan later!

Line A. Amount of Savings: \$ _____

(Include any cash you would receive from sources such as the sale of a business, an inheritance, the proceeds from selling a second home, etc.)

Line B. Lump-Sum Expenses (see below): \$ _____

i. Irregular expenses: \$ _____

(college, weddings, etc.)

ii. Relocation expenses: \$ _____

iii. Emergency expenses: \$ _____

Enter the total of i., ii., and iii. in Line B.

Line C. Subtract Line B from Line A: \$ _____

Line D. Subtract Current Age From 70: _____

Line E. Divide Line C by Line D: \$ _____

(This is the annual amount available until age 70)

Line F. Divide Line E by 12: \$ _____

(This is the maximum amount available each month)