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Maximizing Social Security

By Ronald F. Stevenson

With so many baby boomers on the verge of retiring, Social Security has become a hot topic, especially when it comes to finding out how to maximize one's benefit. One of the reasons Social Security is such a trending topic right now is due to the fact that – after years of paying into Social Security – the largest generation ever is on the brink, or has already begun, to reap their benefits.

President John F. Kennedy said, "A nation's strength lies in the well-being of its people." We agree with this statement, and believe that, by helping people understand Social Security, we are providing a potentially more stable future for them and, possibly, their families. Even though Social Security is a nearly 80-year-old program, the current economic landscape looks much different than it did 20, 10, or even five years ago. Our world keeps changing, and we need to change right along with it by finding new ways to keep using an old tool in the most beneficial manner.

It is important to have a solid working knowledge of Social Security so you can know what you are entitled to and how you can get the most out of it. Your Social Security benefit acts as the foundation of your retirement plan, and you need to know how it is capable of supporting the rest of your financial house.

In the past, collecting Social Security was mostly a matter of triggering your benefit. Today, however, this is really only one piece of the puzzle; in order to get the most out of your Social Security benefit, you need to file in the right way and at the right time. We've seen what an incredible difference this can make in our clients' lives, and we're committed to helping as many people as possible learn more about Social Security and see that same positive change in their lives.

You may begin to receive early benefits from Social Security at age 62. However, each year you delay receiving your Social Security benefit, your payment will increase. By delaying payments to age 70, for example, recipients will receive a 32 percent increase in benefits. Taken alone, that is an incredibly substantial difference. But, when you apply that difference over a lifetime, you can really begin to see how important it is to maximize your Social Security benefit – filing at the wrong time can mean losing tens of thousands of dollars in benefits.

For some people, filing at the wrong time could literally cost them their retirement. Once you file for Social Security, you are permanently locked into that monthly benefit amount. There is one way you can change your monthly benefit, but it is often difficult to take advantage of. If you have been on Social Security for less than 12 months and you pay back the full benefit amount you have received, you can defer your benefit and refile later when your monthly amount might

potentially be higher. But, using this option means you need to be able to repay your Social Security benefit in full, and many people might not have that money on hand. It is imperative to make sure that you only file for Social Security when you are confident you are doing so at the right time.

Each and every client is different when it comes to triggering his/her Social Security benefit. A great way we help our clients decide when to trigger benefits is by helping them determine whether they should file immediately or consider delaying benefits.

We typically advise our clients to file immediately if they find their job unbearable; are willing to sacrifice retirement income; and/or are not healthy and need a reliable source of income. On the other hand, we advise them to consider delaying their benefit if they want to maximize their retirement income; want to increase retirement benefits for their spouse; are still working and enjoy it; and/or are healthy and willing/able to wait to file.

In addition, it is important to realize that maximizing your lifetime Social Security benefit and maximizing your monthly benefit amount are two very different things. Maximizing your monthly benefit amount would mean waiting as long as possible; or, in other words, waiting until you're 70 years old to file for Social Security because this would give you the highest monthly amount. Focusing on maximizing your monthly benefit would mean you would receive more money per month, but you would also be waiting a lot longer to receive your benefit, which

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means you might have less time to actually use that money.

Maximizing your lifetime benefit means finding the sweet spot: striking a balance between the most money you can get per month along with the most years you will have to spend it. There are situations where maximizing your lifetime benefit may mean filing when you're 63 years old or waiting to file until you are 69.

You have worked for and earned money your whole life, but the day that you retire, that income comes to an end. Finding other guaranteed sources of income that you can use to replace your old salary often poses the biggest challenge of retirement planning.

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Jordan: A Destination to Remember

By Monika Leuenberger

I just returned from a wonderful trip to Jordan. We felt welcome and safe. Here are just a few of our many wonderful experiences.

We got to explore the beautiful ruins of the Roman city of Jerash. I especially liked the sound of call to prayer from the various nearby mosques while we were walking on Roman cobblestones with ruts from the chariots, lined by an even row of pillars on both sides.

One of the highlights was the lost city of Petra, with its monumental pillars carved into sandstone cliffs. I had read about it and seen many pictures and it still took my breath away. Of course, there is the Treasury, made famous by Indiana Jones, but around every corner and bend, there are more temples and tombs that are carved out of rock!

We hiked 700 steps up to the monastery, from which we had incredible views over a landscape similar to what you find in the American Southwest. So full of reminders of a great civilization that existed here so long ago. The Nabataeans, who created this city of timeless beauty, had to reroute dry washes to protect against flash floods. They also created many reservoirs and water channels to provide water year-round to its inhabitants. Coming from Arizona, this made a huge impression on me!



At a Bedouin Camp in Wadi Rum, we got to enjoy the Bedouin hospitality. We had lunch in one of their large tents (made of tightly woven goat hair), sitting on soft cushions with Persian rugs covering the dirt floor. Outside, the wind was howling and sand was pelleting the tent walls. Inside, it was nice and quiet, with a small fire keeping us warm. When the sand storm let up a bit, I was able to ride my first camel. I have now fallen in love with these gentle creatures, as I just could not resist their big eyes with these lovely long eyelashes. Who would have known that some of them absolutely love to be scratched? I am still wondering how my horses would take to having a camel as a stable mate!

Our last stop was at the Dead Sea. After floating on top of the water, we had dark mud rubbed all over us and then were ordered to



go back into the Dead Sea to wash it off. I will never forget the sensation of bobbing in the water, while rubbing the mud off my arms and legs. My skin has never felt so silky.

I was so impressed with the diversity of this small country and the friendliness of the people and highly recommend Jordan to anyone with an interest in cultures and history. **QCBN**



Monika Leuenberger, owner of Avenues of the World and travel specialist, has been helping people plan their vacations for 19 years. Call her today to book the best trip for your budget and preferred itineraries. Monika can be reached at 928-556-0853. Please visit www.avenuesoftheworld.com for more information.

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It is possible that even with your monthly Social Security check and your other supplemental income, a shortfall will still exist. At that point, you will need to look at other investment tools to help bridge the gap that exists between you and your retirement goals. Basically, you want to optimize your lifetime Social Security benefit and effectively use your other assets to help generate income for you.

There are tens of thousands of calculations that go into finding the precise combination that will give you the largest lifetime benefit. The Social Security Maximization report that is generated through American Financial Security, LLC will show exactly what to do to optimize your benefit. **QCBN**



Ronald F. Stevenson & Barbara E. Clark own American Financial Security, LLC. We specialize in Retirement Income Planning, Social Security Maximization, Tax Free Income Design, Personal & Corporate Tax Preparation and Planning. For more information, call 928-771-8368 or visit www.AmericanFinancialSecurity.net, 3112 Clearwater Dr., Suite B, Prescott, AZ 86305.

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