

Introduction

Social Security retirement benefits are one of the major sources of income in the United States for retirees and elders. Retirement numbers have increased steadily in the past decade, and so, more and more Americans are depending on their Social Security benefits as their retirement income. With the elimination of corporate pensions, it has become increasingly difficult to maintain one's standard of living after retirement. However, being educated in the workings of the Social Security system can enable retirees to maximize their benefits and design claiming strategies to support their desired lifestyles.

Objectives

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 - Provide Social Security information for free to the public instead of charging a fee for the information.
 - To answer the most FAQs in the simplest way possible for people to understand as well as providing interactive calculators to simplify the math.

Challenges

- Optimize the user interface to be accessible to elders.
- Simplify and present information in reader-friendly format
- Provide Methodology for determining “**Best**” age to claim Social Security retirement benefits.

Acknowledgement

We would like to thank Dr. McAfee for her guidance and expertise in the financial engineering field.

Claiming Strategies

Single

- 12-Month (or 1-Year) Do-Over Strategy
- Earnings Cap Strategy
- Voluntary Suspension of Benefit Strategy
- File and Suspend Strategy
- Retroactive or Backdating Claiming Strategy

Married

- File and Suspend Strategy
- Spousal Strategy

Divorced

- Dual Entitlement
 - Single
 - Ex-Spouse
- File and Suspend Strategy

Widowed

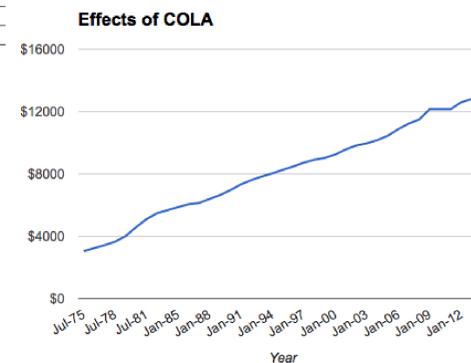
- Claiming and Switch Strategy
- Dual Entitlement
 - Single
 - Deceased Spouse

Information

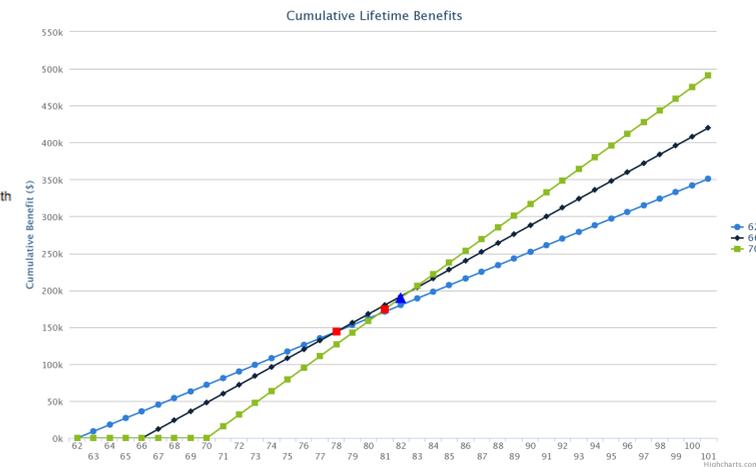
Cost of Living Adjustment (COLA)

- To keep up with inflation, a cost of living adjustment is applied to an individual's monthly benefit.
- The COLA is computed annually, and is based on the CPI-W.

Historical Cost of Living Adjustments (COLAs)			
Year	COLA	Year	COLA
July 1975	8%	January 1995	2.8%
July 1976	6.4%	January 1996	2.6%
July 1977	5.9%	January 1997	2.9%
July 1978	6.5%	January 1998	2.1%
July 1979	9.9%	January 1999	1.3%
July 1980	14.3%	January 2000	2.5%
July 1981	11.2%	January 2001	3.5%
July 1982	7.4%	January 2002	2.6%
January 1984	3.5%	January 2003	1.4%
January 1985	3.5%	January 2004	2.1% ⁽¹⁾
January 1986	3.1%	January 2005	2.7%
January 1987	1.3%	January 2006	4.1%
January 1988	4.2%	January 2007	3.3%
January 1989	4.0%	January 2008	2.3%
January 1990	4.7%	January 2009	5.8%
January 1991	5.4%	January 2010	0.0%
January 1992	3.7%	January 2011	0.0%
January 1993	3.0%	January 2012	3.6%
January 1994	2.6%	January 2013	1.7%
		January 2014	1.5%



Break-Even Age is the age to which you would have to live for the cumulative value of higher benefits taken at a later age to equal those of lower benefits taken at an earlier age.



References

- [1] <http://www.ssa.gov/>
- [2] Dr. Sigrid McAfee