The Connection between Social Security Optimization & Reverse Mortgages

REGISTERED SOCIAL SECURITY ANALYSTS

Optimizing Social Security

Today's Objectives

Using Social Security Income Planning & Reverse Mortgages to Optimize your Client's Retirement Income

➡️ The Demand for Social Security Education

➡️ Deep Dive Into A Real Client Case

➡️ Optimize Your Clients Income in Retirement

Social Security

The Demand for Advice & Education

REGISTERED SOCIAL SECURITY ANALYSTS

Cornerstone of Retirement Planning

Typical Client Net Worth $1,500,000-$2,000,000

Social Security Income can equal or surpass a client's net worth

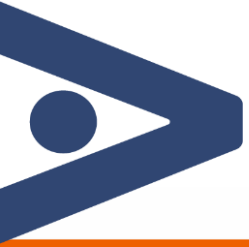**8% increase each year after FRA with compounding COLA's**

How much would your client need to invest in...

Annuities

10 Year treasury bonds

CD's

Pensions

Bank savings

Etc.

...to match your clients Social Security Income

John

| Lisa		2022	2023	2024	2025	2026	2027	2027	2028	2029	2030
		62	63	64	65	66	FRA	67	68	69	70
2024	62	$1,582,721	$1,599,583	$1,621,340	$1,656,132	$1,685,548	$1,709,313	$1,709,313	$1,739,561	$1,763,628	$1,781,000
2025	63	$1,606,536	$1,623,398	$1,645,155	$1,679,947	$1,709,363	$1,733,128	$1,733,128	$1,763,376	$1,787,443	$1,804,815
2026	64	$1,628,341	$1,645,203	$1,666,960	$1,701,752	$1,731,168	$1,754,933	$1,754,933	$1,785,181	$1,809,248	$1,826,620
2027	65	$1,662,882	$1,679,744	$1,701,501	$1,736,293	$1,765,709	$1,789,474	$1,789,474	$1,819,722	$1,843,789	$1,861,161
2028	66	$1,692,071	$1,708,933	$1,730,690	$1,765,482	$1,794,898	$1,818,663	$1,818,663	$1,848,911	$1,872,978	$1,890,350
2029	FRA	$1,716,183	$1,733,045	$1,754,802	$1,789,594	$1,819,010	$1,842,775	$1,842,775	$1,873,023	$1,897,090	$1,914,462
2029	67	$1,716,183	$1,733,045	$1,754,802	$1,789,594	$1,819,010	$1,842,775	$1,842,775	$1,873,023	$1,897,090	$1,914,462
2030	68	$1,746,491	$1,763,353	$1,785,110	$1,819,902	$1,849,318	$1,873,083	$1,873,083	$1,903,331	$1,927,398	$1,944,770
2031	69	$1,770,116	$1,786,978	$1,808,735	$1,843,527	$1,872,943	$1,896,708	$1,896,708	$1,926,956	$1,951,023	$1,968,395
2032	70	$1,787,572	$1,804,434	$1,826,191	$1,860,983	$1,890,399	$1,914,164	$1,914,164	$1,944,412	$1,968,479	$1,985,851

Why become a Social Security Expert?

Most clients uneducated about Social Security rules and claiming strategies

1. 96% of retiree's do not optimize benefits

2. Average of $110,000 lost per household

3. 2,728 Social Security program rules

4. Thousands of claiming strategies

...but the biggest problem retirees have

Very few "reliable" resources for expert Social Security knowledge and advice

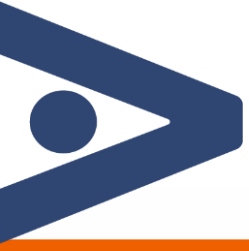*Clients: "I Have called the SSA and received conflicting answers to the same question."*

Social Security + Savings + Investments = loving retirement!
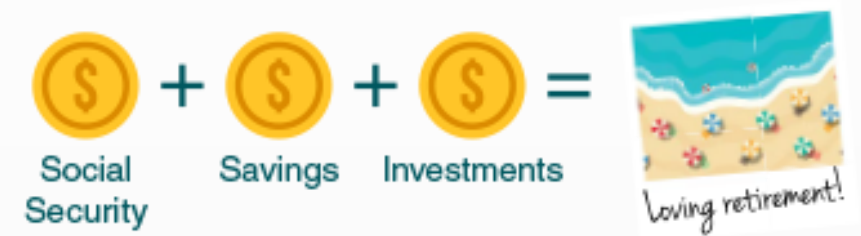
48% no private pension

25% no savings for retirement

On average Social Security makes up about 40% of pre-retirement income

Each Client's Situation is Unique

Many factors may impact the amount of Social Security benefits a retiree will collect
Each of these personal details can impact a Client's claiming decisions

Married
-Retirement benefits
-Spousal & survivor
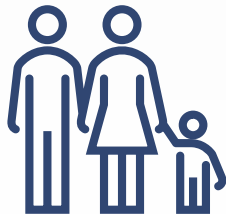-Significant age difference
-Still working

Divorced
-(Ex) Spousal benefits
-Survivor benefits
-Married 10 Years
-Get remarried

Widowed
-Survivor benefits
-Survivor or retirement
-Did spouse collect early
-Dependent survivors

Children
-Minor children
-Disabled children
-Family maximum
-In-Care spousal

Disability
-Disability start (When)
-Disability amount
-Disabled client's age

Self-Employed
-What type of business
-Salary Vs. Dividends
-What is their PIA
-Work 5,7,10 Years
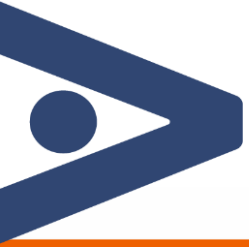
Social Security Can Be Complicated

- Pension Reductions
- Family Maximum
- Combined Family Maximum
- Earnings Deductions
- First Year Collecting Rule
- Voluntary Suspension
- Supplemental Security Income
- Railroad Retirement

Mark & Sharon's Retirement Options

Goal: Find Their Optimal Claiming Strategy

Client Information

Mark, 65	Sharon, 62
LE: 82	LE: 90
FRA: 67	FRA: 67
PIA: $3,345	PIA: $500

➢ Neither Spouse Collected Social Security

➢ Current Home Value $1,250,000

➢ Remaining Mortgage $259,000

➢ Mortgage Payment $2,500

➢ Sharon Retired

➢ Mark Part-Time $2,500 Net Monthly

➢ Mark & Sharon's Monthly Financial Need is $6,000 to live comfortably
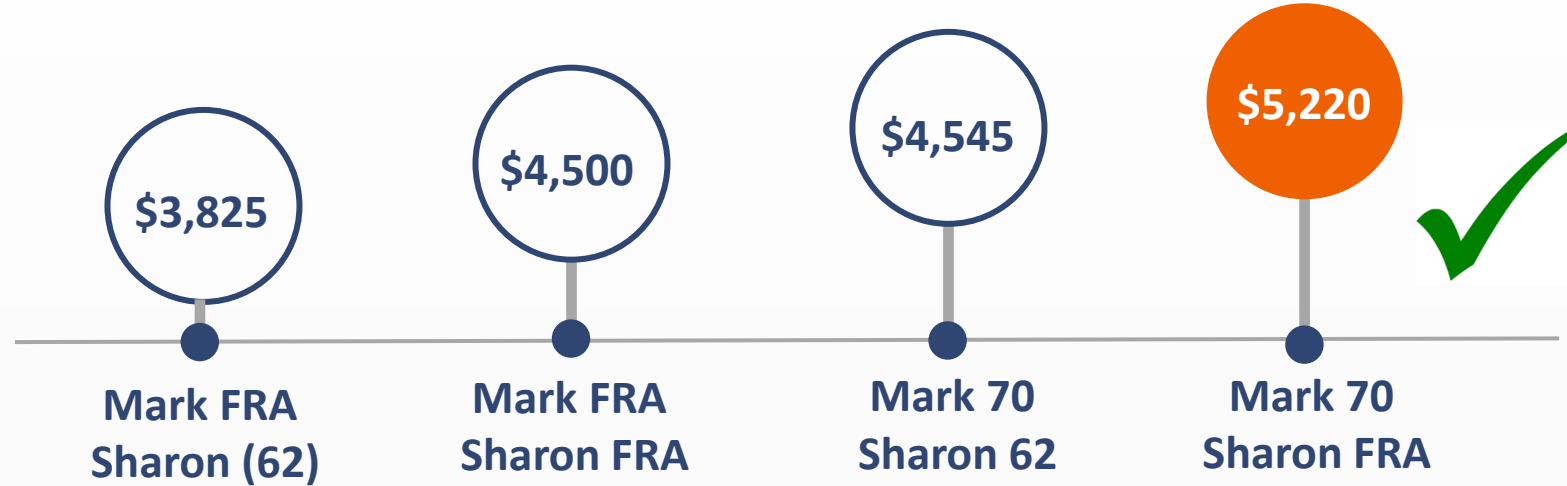
NRMLA®
National Reverse Mortgage Lenders Association

Couple's Optimized Claiming Strategy

Mark's Age: 65

Sharon's Age: 62

Marital Status: Married

Mark's PIA: $3,345

Sharon's PIA $500

$3,825
Mark FRA
Sharon (62)

$4,500
Mark FRA
Sharon FRA

$4,545
Mark 70
Sharon 62

$5,220 ✔
Mark 70
Sharon FRA

Sharon		Mark 2022	2023	2024	2025	2026	2027	2027	2028	2029	2030
		62	63	64	65	66	FRA	67	68	69	70
2024	62	$2,925	$3,105	$3,285	$3,465	$3,645	$3,825	$3,825	$4,065	$4,305	$4,545
2025	63	$3,060	$3,240	$3,420	$3,600	$3,780	$3,960	$3,960	$4,200	$4,440	$4,680
2026	64	$3,195	$3,375	$3,555	$3,735	$3,915	$4,095	$4,095	$4,335	$4,575	$4,815
2027	65	$3,330	$3,510	$3,690	$3,870	$4,050	$4,230	$4,230	$4,470	$4,710	$4,950
2028	66	$3,465	$3,645	$3,825	$4,005	$4,185	$4,365	$4,365	$4,605	$4,845	$5,085
2029	FRA	$3,600	$3,780	$3,960	$4,140	$4,320	$4,500	$4,500	$4,740	$4,980	$5,220
2029	67	$3,600	$3,780	$3,960	$4,140	$4,320	$4,500	$4,500	$4,740	$4,980	$5,220
2030	68	$3,600	$3,780	$3,960	$4,140	$4,320	$4,500	$4,500	$4,740	$4,980	$5,220
2031	69	$3,600	$3,780	$3,960	$4,140	$4,320	$4,500	$4,500	$4,740	$4,980	$5,220
2032	70	$3,600	$3,780	$3,960	$4,140	$4,320	$4,500	$4,500	$4,740	$4,980	$5,220

Delay Collecting Social Security

Mark, 65
LE: 82
FRA: 67
PIA: $3,345

Sharon, 62
LE: 90
FRA: 67
PIA: $500

Mark's Social Security Benefits

	Mark Age 65	Mark FRA	Mark Age 70
	$2,900	$3,345	$4,148

■ Mark FRA
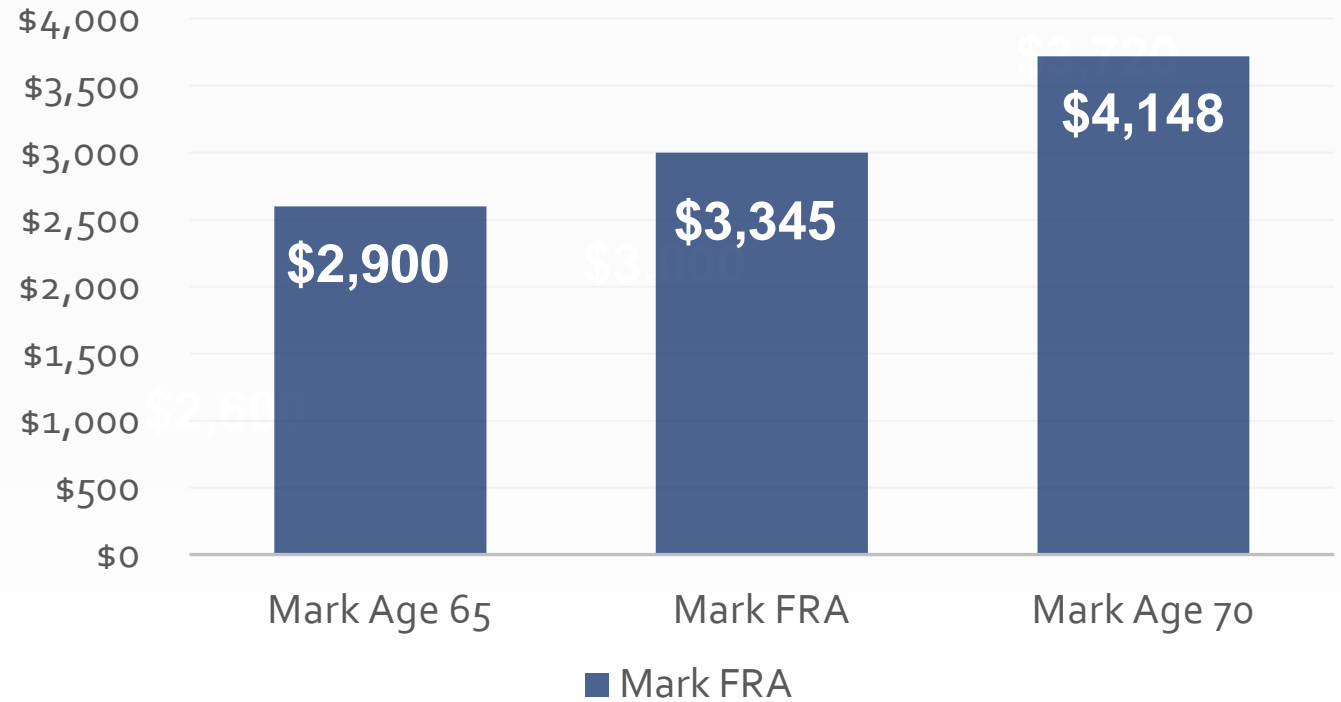
Delay Collecting Social Security

Mark, 65
LE: 82
FRA: 67
PIA: $3,345

Sharon, 62
LE: 90
FRA: 67
PIA: $500

Sharon's Lifetime Survivor Benefits

(+58,740)

(+164,736)

$382,800 — Mark Age 65
$441,540 — Mark FRA
$547,536 — Mark Age 70

Legend: ■ Mark Age 65 ■ Mark FRA ■ Mark Age 70
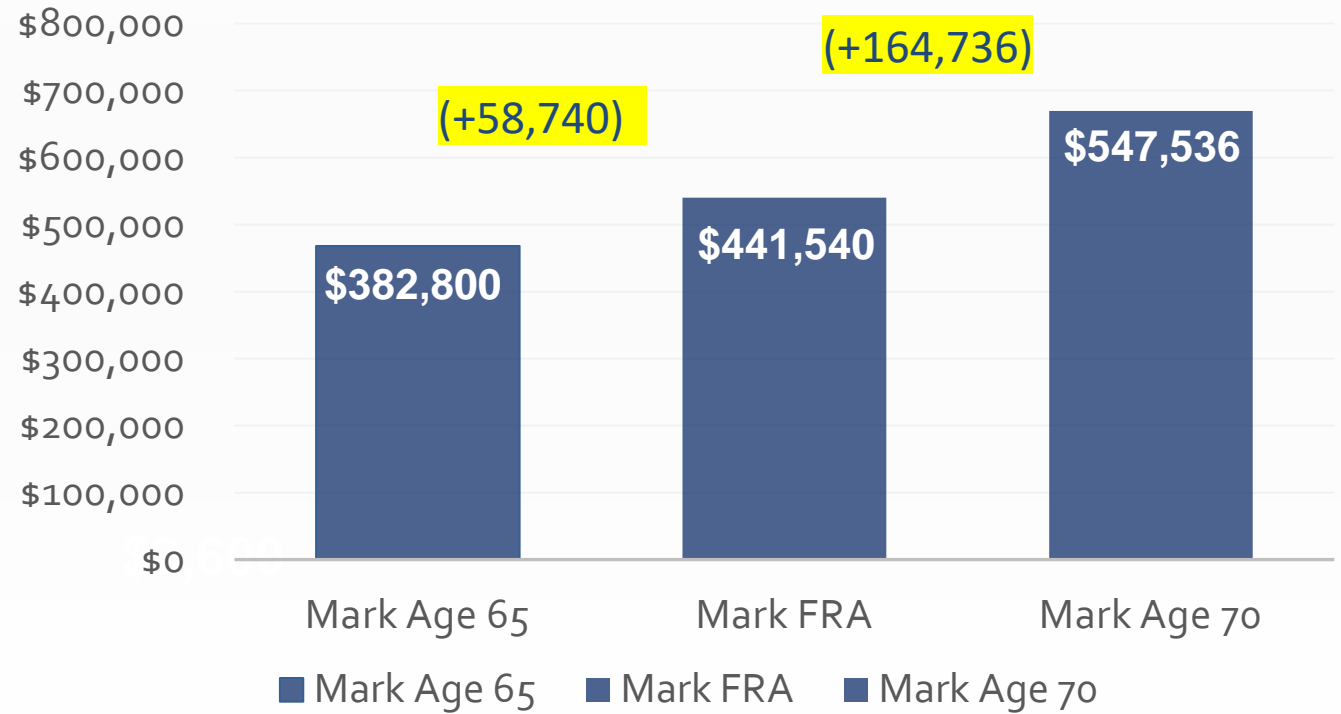
Retirement Income Needs

Mark & Sharon's Retirement Income Needs

Monthly Income Needed to Live Comfortably Includes Current Mortgage Payment ($2,500)

$6,000 ➡ **Minus ($2,500 Mortgage Payment)**

$3,500 ➡ **Minus ($2,500 Mark's PT Work)**

$1,000 ➡ **Minus (?)**

Home Equity Conversion Mortgage

Option 1: A Home Equity Conversion Mortgage

Current Home Value:

$1,250,000

(HECM) looks at a maximum home value of

$970,800

Mark's benefit, based on his age, home value and current interest rates

$344,517

After Closing Costs ($28,416)

and

Existing Mortgage Payoff ($259,000)

$61,000

Income Need: $1,000 Remaining

Lump Sum	**Line of Credit**
Monthly Payment	**Combo**

$61,000

Reverse Jumbo Mortgage

Option 1: Reverse Jumbo Mortgage

Current Home Value:

$1,250,000

A Jumbo Reverse Mortgage looks at a maximum home value up to

$8,000,000

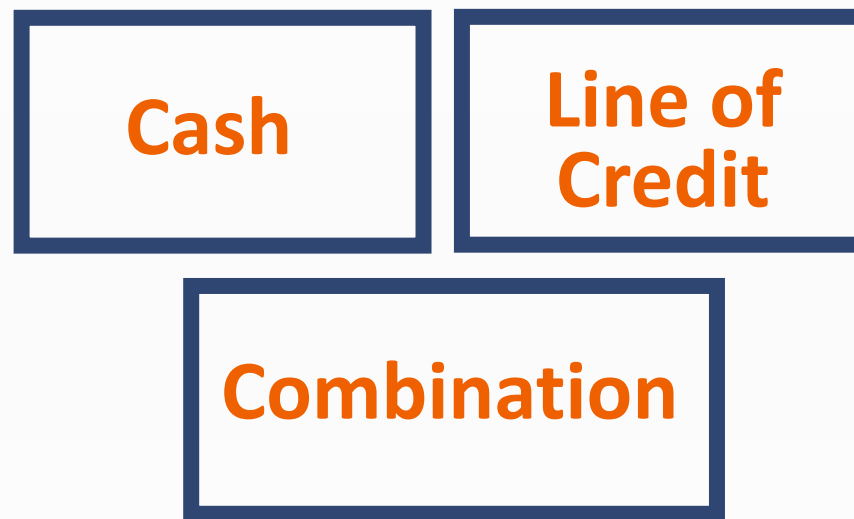Mark's benefit, based on his age, home value and current interest rates

$468,750

After Closing Costs ($12,765)

and

Existing Mortgage Payoff ($259,000)

$197,000
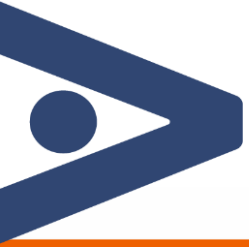
Income Need: $1,000 Remaining

Cash

Line of Credit

Combination

$197,000

Optimize Your Clients Retirement

"Maximizing" is attempting to claim as much Social Security income as possible

"Optimizing" is taking a holistic approach and strategizing on what's best for your client's overall financial picture

Cash Flow (Living Expenses)
Your Lifestyle (Vacations, Hobbies)
Other Retirement Income
>Reverse Mortgages
>Savings   >401K
>Pensions   >IRA's

Optimize your client's retirement, maximize their happiness!

Meeting Your Clients Needs & Retirement Goals

RSSA®
Registered Social Security Analysts
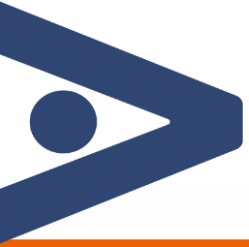
## Personalized Social Security Analysis

- ☑ **Primary Insurance Amount (PIA Calculations)**
- ☑ **Monthly, Annual, & Lifetime Benefit Options**
- ☑ **Spousal & Ex-Spousal Benefits**
- ☑ **Survivor & Dependent Survivor Benefits**
- ☑ **Pension Reduction Calculations**
- ☑ **Benefits for Children & Family Maximums**
- ☑ **Future Earnings Impacts**
- ☑ **Life Expectancy, Longevity Risk & Break-Even**

Consultation With Your RSSA

- 💥 **Give a clear understanding of claiming options**
- 💥 **Explain applicable rules and answer questions**
- 💥 **Help them choose their "optimal" strategy**

Helping clients with Social Security planning will help you as advisors sell more reverse mortgages to bridge the gap to their optimal Social Security strategy

NRMLA®
National Reverse Mortgage Lenders Association
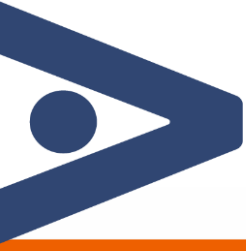
Earn your RSSA® Credential
Become a Social Security Expert

Social Security Optimization Will Open the Door to Sell More Reverse Mortgages

RSSA eLearning (20-25 Hour) Program
Module I: Social Security Basics
Module II: Social Security Advanced Topics
Module III: Bridging to Retirement Planning
Module IV: Marketing Social Security Income Planning
Module V: RSSA® Roadmap Social Security Software
Case Studies

RSSA Competency Exam
Part I: Multiple-choice questions
Part II: Two Social Security case studies using
RSSA® Roadmap Software

Annual Membership Includes

Membership required to maintain RSSA® credential

Extensive training, tools, & resources

Continuing education courses

Member meetings, workshops, & webinars

Client question & case support

Marketing Materials

RSSA® Roadmap software

Learn more..Grab Our Informational Slick

RSSA® Certificate Program for Financial Professionals

Sign Up – Take the 5 Self-Study Courses Online

Social Security Education & Training for Financial Professionals & Advisors

Earn Your Credential as a Registered Social Security Analyst

1 Training & Education – The 5-Course Program
$1,500
Learn Social Security strategies & law, how to use RSSA Roadmap software & grow your business

2 Pass the Exam & Earn Your RSSA Credential
$350
Register to take & pass the RSSA Competency Final Exam to become a Registered Social Security Analyst

3 Membership Includes Advisor & Client Support
$279+/year
Membership resources including access to RSSA Roadmap software, marketing resources, continuing education & more

Getting Started

1. Visit NARSSA.ORG

2. Click Enroll Now

   ENROLL NOW

3. Complete sign-up form

4. Begin Your Course

For more information, schedule a call with us at NARSSA.ORG