

Social Security & Reverse Mortgage Fact Sheet

Social Security Facts:

- Website: www.SSA.gov
- You can file for SS between ages 62 and 70.
- Filing as soon as possible isn't always the best solution to maximize your SS benefit.
- The SS will use your top 35 years of earnings to figure your income, then adjust for inflation to determine your AIME (Average Monthly Indexed Earnings). Then there's a tiered calculation from 15%-90% to determine your Primary Insurance Amount, or PIA.
- Your PIA then grows throughout retirement, based on COLA, or the "cost of living adjustment."
- As much as 85% of your benefit can be taxable.
- If married, there are currently 567 election option combinations available, you can only make these elections once, generally, when entering retirement. It's essential to have an advisor with the proper tools to help you maximize any benefits you qualify for.
- In your retirement planning, don't count on Social Security income if you're middle-aged or younger. What we can count on is a higher retirement age, lower benefits for high wage earners, reductions in benefit increases, and having to save more to cover the gap.

Reverse Mortgage Facts:

While reverse mortgages had a rocky start, they have been streamlined and standardized and now serve as a great retirement income planning tool. Let's be clear, though, like all financial tools, they aren't perfect for everyone, and typically fit best as part of an entire retirement/estate plan, rather than serving as the complete plan itself. It is typically a reasonable option when you are equity rich but cash poor.

- You need to be at least 62 years old.
- You typically must reside in the home that is reverse mortgaged.
- There are closing costs, much like a traditional mortgage.
- You still own your home.
- You can set up an annuity-like payment, receive a lump sum, or have a line of credit through your reverse mortgage.
- When you pass away, your heirs are in charge of paying off the mortgage, selling the home, or refinancing to term out the reverse mortgage.