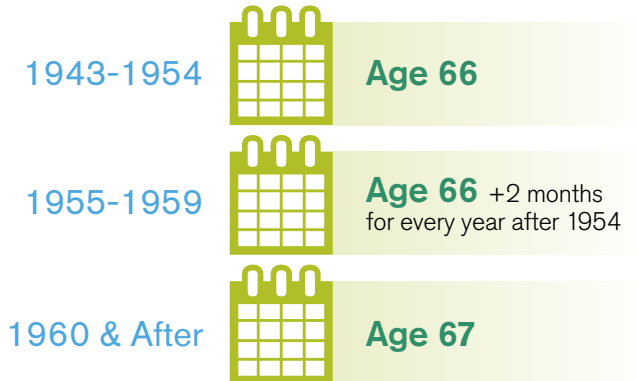


# Five Facts You Wish You Knew About Social Security

## 1) Full Retirement Age doesn't mean 65

Your Full Retirement Age (FRA) depends on when you were born.



Source: SSA Fast Facts & Figures About Social Security

## 2) Social Security is not a given

You have to work (enough) to earn it. Once you earn it, your family can also receive benefits based on your earnings (see reverse for spousal examples). Learn more at [www.socialsecurity.gov](http://www.socialsecurity.gov).



\*2016 wages/self-employment income  
Source: SSA Fact Sheet, 2015 Social Security Changes

## 3) Drawing Social Security early may not be the best

You can start before your Full Retirement Age, but doing so will mean a reduction in your amount. Delaying your benefits lets you collect more.\*

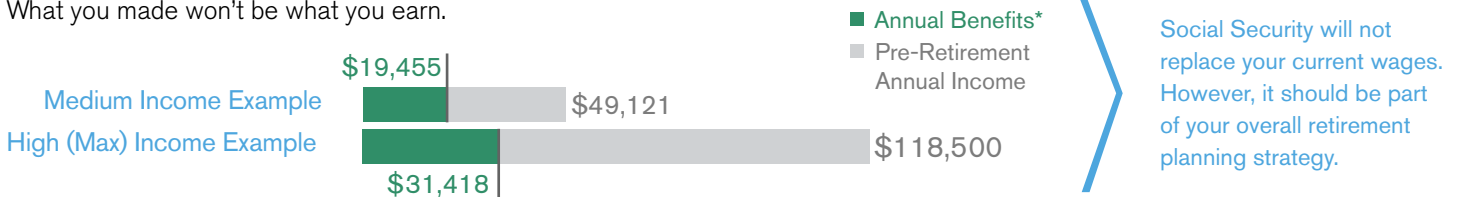
If you **start** at age...



\*Assumes Full Retirement Age is 66. Increased benefits for delaying Social Security max out at age 70. Source: [www.socialsecurity.gov](http://www.socialsecurity.gov)

## 4) Everyone doesn't earn the same

What you made won't be what you earn.



## Your Benefit

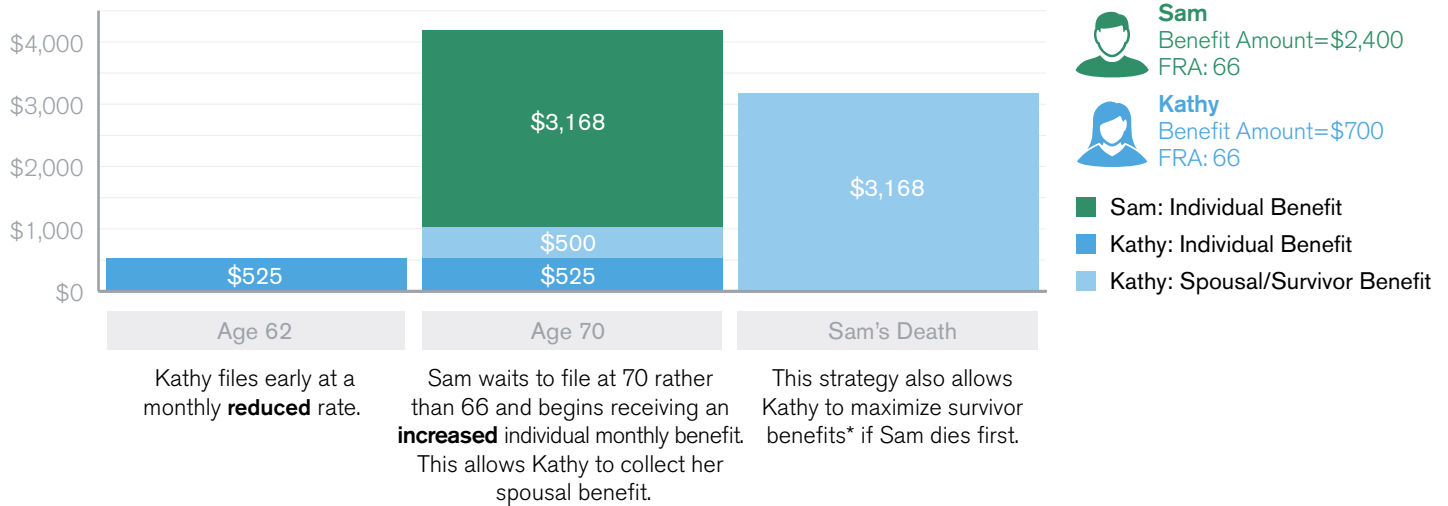
- Is based on a three-part calculation and an average of the best 35 years of your earnings
- May be decreased if you are still working or if you are entitled to a government pension
- Can be increased to reflect cost of living adjustments, 2.3% average since 2000
- Up to 85% of your benefit may be subject to income tax

\*Annual replacement rates in 2016 for retired worker, age 66. Source: 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2016 Table V. C7. Source: [www.socialsecurity.gov](http://www.socialsecurity.gov)

## 5) Spouses can take a team approach to maximize benefits

An individual earner can extend benefits to his or her spouse—to add to his or her own earned benefits or to use alone. How much each spouse earned and their anticipated life expectancy may help determine how and when to take Social Security.

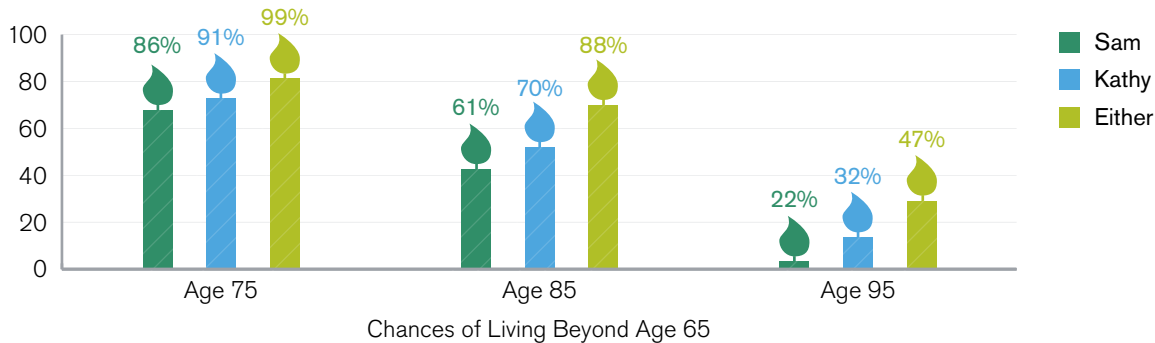
### Spousal benefits can boost your bottom line



## Paying bills after age 85—Will your money last to cover expenses?

When anticipating retirement, you may think of the first work-free years—pursing hobbies or traveling. However, your years in retirement may be longer than you think. In general, women have longer life expectancies than men. You should plan for your longevity as a couple versus planning as individuals.

### Plan for Longevity as a Couple



## The Bottom Line

Taking Social Security at age 62 might not be the best choice. Evaluate your options and make Social Security a part of your overall retirement planning strategy. Knowing when to claim benefits can give you a better chance of making your retirement money last.

Sources: American Century Investments, 2016. Society of Actuaries and American Academy of Actuaries, 2016 ([www.longevityillustrator.org](http://www.longevityillustrator.org)).

\*Surviving spouse benefits are similar to spousal benefits except they will receive the higher of their own benefit or their deceased spouse's benefit. The surviving spouse must be at least 60 years old and the couple must have been married for at least nine months prior to the non-surviving spouse's death (with exception for accidents).

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