Retirement Perspectives

Delay your Social Security benefits, not your retirement fun

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Is there a "best" age to begin receiving Social Security benefits?

If you're nearing retirement, you probably know that you can begin receiving Social Security benefits at age 62. However, financial professionals and the Social Security Administration agree* that the "best" age to start depends on your individual and family circumstances.

These circumstances may include:

- Your current cash needs.
- Your health and family longevity.
- Your plans to work in retirement.
- Your other retirement income sources.
- Your anticipated future financial needs and obligations.
- The amount of your future Social Security benefit.

* "When to Start Receiving Retirement Benefits," SSA Publication No. 05-10147 ICN 480136, October 2016.

If you've earned a good income for much of your career, you may already have the resources to retire at 62 (or even younger). But delaying the start of your Social Security benefits until the maximum claiming age of 70 may make sense, even if you still want to retire early.

Age 62 is the earliest you can start receiving Social Security benefits, but your starting benefits would be 25.83% less than you would receive if you started at the full retirement age—currently age 66 and 2 months for those born in 1955.[1] Conversely, waiting to begin taking benefits past the full retirement age actually adds to your income in the form of an 8% per year delayed retirement credit.[2]

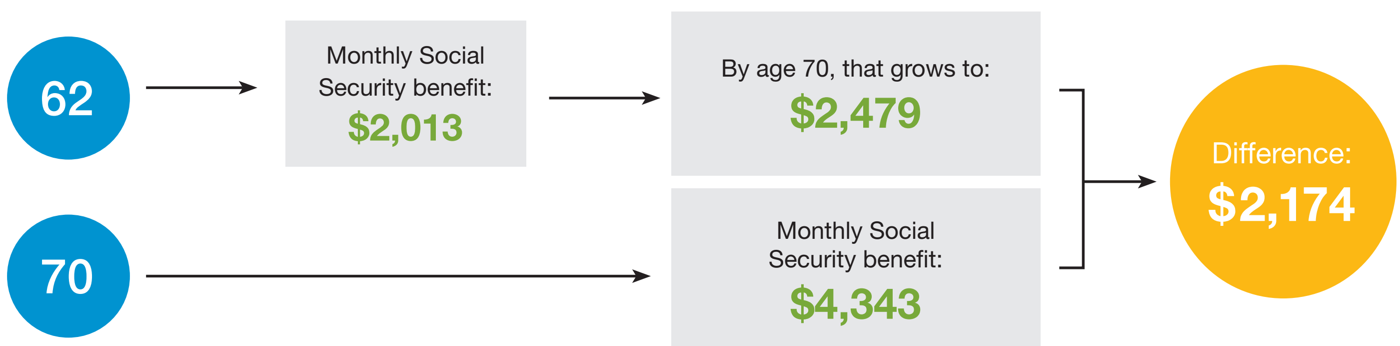
Below is a hypothetical comparison of Social Security benefits at ages 62 and 70 if you were 62 today and stopped working in 2016. Here's how delaying benefits from age 62 to the maximum age of 70 could affect your future income.

Delaying Social Security benefits may provide:

- Higher monthly benefits
- More lifetime income for a surviving spouse
- Inflation protection

Hypothetical comparison of monthly Social Security benefits at ages 62 and 70

Benefit starting age:



Assumptions

The numbers in the above comparison are hypothetical and for illustrative purposes only, and assume you were born in 1955 and stopped working by age 62. They were calculated using the Social Security Quick Calculator (www.socialsecurity.gov/OACT/quickcalc) and are based on the following assumptions:

For Social Security benefits beginning at age 62

- Your benefit at age 62 is based on income of $150,000 in 2016; you stopped working, started collecting Social Security benefits and did not reinvest that money.
- Your benefit by age 70 reflects annual cost-of-living adjustments (COLAs) applied to the age 62 benefit based on the Social Security Administration's projections for future COLAs.

For Social Security benefits beginning at age 70

- It is presumed that you have not collected any Social Security benefits until age 70.
- Your benefit at age 70 is based on an income of $150,000 in 2016, your final year of work.
- You stopped working by age 62.
- The numbers in the comparison do not consider the value of all Social Security payments you would have received during the period you delayed receipt of benefits. These values are covered under "Comparison of Cumulative Benefits" on the next page of this brochure.

[1] www.ssa.gov/planners/retire/agereduction.html
[2] https://www.ssa.gov/planners/retire/delayret.html

Note: Unique circumstances such as your earnings history and age will likely make your situation look different than the examples presented here. The Social Security Retirement Estimator tool at www.ssa.gov/estimator/ can provide you with an estimate of your benefits based on your Social Security earnings record.

Keeping up with inflation

In addition to the larger payments you can earn by delaying Social Security, your benefits may also increase through annual cost-of-living adjustments, or "COLAs." These adjustments are determined annually by the Social Security Administration to help recipients maintain their standard of living in retirement. However, it's important to note that COLAs are not guaranteed and may not always keep up with the actual rate of inflation.

The table on the right compares the actual Social Security COLAs between 2002 and 2016 with the average annual inflation rate. You'll notice that:

- In **three** of the past 10 years, there was no COLAs.
- In **seven** of the past 15 years, the COLA was lower than the average annual inflation rate.
- In **six** instances, the COLA exceeded the average annual inflation rate.

Comparison of Social Security COLAs

Year	SS COLA[1]	Avg Annual Inflation[2]
2002	**1.4%**	1.6%
2003	**2.1%**	2.3%
2004	**2.7%**	2.7%
2005	**4.1%**	3.4%
2006	**3.3%**	3.2%
2007	**2.3%**	2.9%
2008	**5.8%**	3.9%
2009	**0.0%**	-0.3%
2010	**0.0%**	1.6%
2011	**3.6%**	3.2%
2012	**1.7%**	2.1%
2013	**1.5%**	1.5%
2014	**1.7%**	1.6%
2015	**0.0%**	0.1%
2016	**0.3%**	1.3%

Three years   Seven years   Six years

Challenger Questions: Current COLA calculations do not consider expenses such as Medicare premiums—one of the fastest growing costs in retirement between 2015 and 2016.[3] Recent years with low or no COLAs have led some to question whether adjustment should be based on an elderly-specific index that more accurately reflects the inflation experienced by seniors.

How will you generate the income you need to help cover these costs? Do you have a solution that can help maximize income for the rest of your life?

[1] Social Security "Cost-Of-Living Adjustments" https://www.ssa.gov/oact/COLA/colasummary.html. Accessed on February 1, 2017.

[2] Average Annual Inflation data is an excerpt from the "Table of Historical Inflation Rates by Month and Year" http://www.usinflationcalculator.com/inflation/historical-inflation-rates/. Accessed on February 1, 2017.

[3] Bankrate.com: The 10 fastest-growing retirement costs. http://www.bankrate.com/finance/retirement/fastest-growing-retirement-costs-11.aspx. Accessed on February 1, 2017.

Spend your own money now, collect more Social Security later

You've seen how delaying your Social Security benefits between ages 62 and 70 can increase your future income. We've also shown how COLAs may or may not help you keep up with rising costs.

How will you enjoy your retirement lifestyle if you aren't collecting Social Security during those eight years of delay? You may want to consider a strategy that can help you maximize your Social Security benefits and combat potential inflation.

Consider a SPIA

Assuming you have adequate funds, purchasing a single-premium immediate annuity (SPIA) that pays a temporary income stream could help replicate the Social Security payments should you decide to forgo between ages 62 and 70. This extra income can help you enjoy your retirement to the fullest in your 60s. When SPIA payments end at age 70, you'll have a larger Social Security benefit waiting for you. Here's how this strategy might work.

Delay Social Security Strategy

Age 62

- Social Security benefit, if taken: $2,013
- You choose to delay until age 70

Purchase 8-year, nonqualified SPIA with 2.6% annual increase[1]

- Purchase Payment: $194,464.05
- Monthly payments start at $2,013
- 91.8% of monthly payment is tax-free

Age 70

- SPIA payments end
- Begin drawing Social Security
- Monthly Social Security benefit: $4,343

In this scenario, the SPIA creates an eight-year income stream that mirrors the monthly Social Security benefit of $2,013 you would have received had you started taking benefits at age 62. It includes a 2.6% annual increase similar to cost-of-living adjustments projected by the Social Security Administration.

With this strategy, SPIA payments can help fund the activities you might have reserved until you reached maximum Social Security benefits (like travel or new hobbies), but you don't have to wait until age 70 to enjoy them. And when SPIA payments end at age 70, you'll need to start drawing Social Security payments of $4,343 per month.

[1] Quote is based on a 62-year-old female purchasing a Symetra Advantage Income Immediate Annuity with an eight-year period certain payout. The amount of the purchase payment will be zero at the end of the eight-year period. Purchased on March 1, 2017, with income to beginning on April 1, 2017. Quote is current as of January 30, 2017, but rates are subject to change without notice. Hypothetical results are for illustrative purposes only. Quote includes a 2.6% annual increase in benefits in order to align with Social Security benefits, which include annual cost of living adjustments.

Comparison of cumulative Social Security benefits at ages 62 and 70

	Age 69	Age 77	Age 85 (male)	Age 88 (female)
Begin drawing at 62	$212,327	$473,140	$793,403	$931,503
Begin drawing at 70	-	$489,520	$1,090,625	$1,349,825
Difference	-	**$16,381**	**$297,222**	**$418,322**

By the end of age 69
Had you started benefits at 62, you'd have collected eight years of benefits, totaling $212,327. However, had you decided to delay your benefits until age 70, you'd have collected nothing.

By the end of age 77
Had you waited until age 70 to begin benefits, you'd have surpassed the total benefits collected beginning at age 62 in less than eight years.

By the end of age 85
If you are male, your life expectancy at age 62 is 85. So by the end of your 85th year, you'd have collected $297,222 more had you started benefits at age 70 instead of 62.

By the end of age 88
If you are female, your life expectancy at age 62 is 88. By the end of your 88th year, you'd have collected $418,322 more had you started benefits at age 70 instead of 62.

Note: These comparisons do not take into consideration the time value of money. Cumulative values are calculated using the median age expectancy. Life expectancy statistics are sourced from http://www.longevityillustrator.org/Profile?m=1. Accessed on January 30, 2017.

Consider your circumstances

Delaying Social Security benefits and adopting the strategy shown here may not be appropriate for everyone, and your results will vary from the example shown. Factors for you to consider include your health and expected longevity, potential inflation and its effect on the value of future income, your financial situation and marital status, and your ability to afford a SPIA. SPIAs are generally irrevocable and not considered liquid.

Working with your financial professional or insurance producer and the tools and calculators available on the Social Security website (ssa.gov) can help you make an informed decision on when to begin collecting Social Security benefits.

Why take action now?

Delaying Social Security benefits may provide you with more future retirement income. Talk to your financial professional or insurance producer about a strategy that includes a single-premium immediate annuity (SPIA).

Symetra Life Insurance Company, not a licensed insurer in New York, is the parent company of First Symetra National Insurance Company of New York (collectively, 'Symetra'). Each company is responsible for its own financial obligations.

Symetra Advantage Income Annuity is a single-premium immediate annuity issued by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004, and is not available in all U.S. states or any U.S. territory. Contract form numbers are LIA-26 7/00 for qualified and LIA-27 7/00 for nonqualified for most states and LIA-26/OR 7/00 for qualified and LIA-27/OR 7/00 for qualified in Oregon. Not available in any U.S. territory.

In New York, First Symetra Advantage Income Annuity is a single-premium immediate annuity issued by First Symetra National Life Insurance Company of New York, New York, NY. Mailing address is P.O. Box 34690, Seattle, WA 98124. Contract form numbers are LIA-26/NY 12/09 for qualified and LIA-27/NY 12/09 for nonqualified.

Annuity contracts have terms and limitations for keeping them in force. Please contact your insurance producer or financial professional for complete details.

Guarantees and benefits are subject to the claims-paying ability of the issuing life insurance company.

The full retirement age for those born after 1954 increases to age 67 for those born in 1960 or later.

Earnings from a SPIA are taxed only as received. Exclusion ratio applies for nonqualified contracts. A 10% penalty may apply to payments received prior to age 59½. The tax treatment of a SPIA differs from that of Social Security benefits. Consult your tax attorney or advisor for more information.

Tax qualified contracts such as IRAs, 401(k)s, etc., are tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax-qualified plan or program itself. However, annuities do provide other features and benefits such as death benefits and income payment options.

Spousal benefits and rights described here may be subject to Internal Revenue Code provisions.

This material should be regarded as educational information on Social Security and is not intended to provide specific advice. If you have questions regarding your particular situation, you should contact your legal or tax advisors.

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