

April 2012 *MoneyMinute* – Estimating Social Security

You may not have noticed, but about a year ago the Social Security Administration (SSA) stopped sending out annual benefits estimates.

Until recently, the SSA had sent all working Americans a statement about three months before their birthday. The four-page statement included your lifetime earnings record, as well as estimates of retirement, disability, and family survivor benefits. It also reported earned credits, which indicated if you would qualify for Medicare at age 65.

But budget cuts have brought an end to that for all but workers age 60 and older who haven't yet started taking Social Security. The change is expected to save about \$60 million a year.

Social Security is working on an online download option for everyone else. But until then, you'll have other tools at <http://www.ssa.gov> to get estimates:

The [Retirement Estimator](#) gives estimates of your retirement monthly benefit, based on your actual Social Security earnings record. The calculator shows estimates for early (age 62), full (ages 65-67 depending upon your year of birth), and delayed (age 70) benefits. The Retirement Estimator also lets you create additional "what if" retirement scenarios based on current law.

If you do not have an earnings record with Social Security or cannot access it, there are also [other benefit calculators](#) that do not tie into your earnings record. The calculators will show your retirement benefits as well as disability and survivor benefit amounts if you should become disabled or die.

Social Security is a very important part of retirement income planning. Make a point of checking out your estimated benefits annually so you know how much to expect. Even if the monthly estimate looks small to you, it's a valuable part of your retirement income.

Also, remember that Social Security benefits don't automatically increase every year. In 2011, benefits stayed the same as the previous year. For 2012, benefits rose by 3.6% to reflect an increase in inflation.

This article is adapted from material provided through the Financial Planning Association, the national membership organization for the financial planning community.

If you have friends who may benefit from the monthly *MoneyMinute*, please forward this to them. To sign up for your own copy: <http://www.feesonly.com/moneyminute.html>

The articles page on our website covers planning issues from real estate to long-term care, from investment risk to college funding, and more. See the rest at: <http://www.feesonly.com/Articles.html>.

At Investor's Capital Management, LLC, we are independent fee-only financial planners and investment managers. We do not take product commissions, nor do we gain from any portfolio activity. A client's fee is the only payment we receive, so that we work solely in their best interests. As independent financial planners, we have a **fiduciary responsibility** to our clients to always put their

best interests first. This may seem obvious to you, but in fact it is all too rare in the financial services area.

OUR MISSION:

We offer sound, lifetime advice so that our clients can sustain their dignity and independence in retirement, and leave as much as possible to their beneficiaries in a tax efficient way. If we may be of assistance in any way during the weeks and months ahead, please call or email.

To maintain the quality of our service, we take on a limited number of new relationships each year. If we're not able to help someone who contacts us, we'll make sure to refer them to professionals we think highly of.

Learn more at our website: <http://www.feelsonly.com>.

Rich Chambers, CFP®

Julie Schatz, CFP®

Jennifer Cray, CFP®

Investor's Capital Management, LLC, Menlo Park

Offering Unbiased Guidance to Financial Success

Member of the National Association of Personal Financial Advisors (NAPFA)

Phone: 866-966-9291

Fax: 650-472-8924

info@feelsonly.com <http://www.feelsonly.com>

Legal Disclaimer: Investor's Capital Management, LLC <http://www.feelsonly.com>, and the *MoneyMinute* email does not render or offer to render personalized investment advice or financial planning advice through this free service. This service is limited to the dissemination of general information only. For specific financial advice you must enter into a formal relationship with a financial adviser.