

Information & Help

This is a brief description of Benefit Optimizer for Social Security (Boss) to familiarize you with its design and operations to help you get going with the app.

Main Screen

The main screen is divided in two sections to provide you with its interactive planning functionality-

- Top part provides you with values of the key planning results up to the last entry
- Bottom part facilitates quick data input for the main data categories. Each input tab also displays the sum of all values entered for its category providing a quick magnitude of the plan.

Results Windows

This dynamic section of the screen displays result values and corresponding graphs that are applicable at the time of display. Items displayed are contextually touch sensitive that responds with details or options associated with the item tapped.

Computation Support – *How was a value computed?* Tap on the displayed value to get its computation details.

Result Columns – You can analyze two payment options simultaneously in the premium version. The app compares each analyzes the stream of payments and provides you with the break-even point if applicable. The results for each column are presented when corresponding data for the option is available. For basic results you need to enter at a minimum the following items:

- Birth date
- FRA amount
- Retirement age
- Life expectancy

Cash Needs Filled Bar – This is a simplified graphic representation of the extent to which your social security payments will satisfy the cash needed for living expenses. It gives you a quick look at the social security benefits; whether or not it will be sufficient and, if not, to what percentage it satisfies . An all-green bar represents the amount of annual social security payment. A red zone indicates the start of cash deficiency. This graph is available when data is present for Living expenses. Cash flow entries require premium activation.

**Cash Needs Filled bar can be tapped to get further details*

Data Input

The input items described below can be entered in any order if they apply in your analysis. You must enter date of birth and the full retirement age amount (FRA) for computations to be activated.

Date of Birth – Use the scroll dials to enter the birth date of the Taxpayer. This entry is used to calculate the age which in turn determines the benefit amounts.

This entry would suffice for a single person analysis of social security benefits.

However, you can optionally enter the date of birth of the spouse if the spouse factor is also to be included in the analysis. Make sure the Advanced tab shows “Joint” for the ability to make the second entry for spouse’s birth date. Tap on the Advanced tab for changing this value.

**This is an essential item needed for this optimizer to perform the computations and analysis.*

Inflation Rate – Social Security benefits have a cost-of-living adjustment built into them, which means your Social Security income will increase with inflation. The inflation rate is determined each year by the Social Security Administration. The cost of living index is likely to change from one year to the next. Enter here an estimated average annual inflation index factor you want to use in your analysis. This is also an important item worth what-if analysis under different inflation scenarios. The amount of benefit remains constant at the initial level if inflation rate is not entered.

Other Income – Information in this group of items is used in determining the tax bracket at which the social security benefits are taxed. This input should be entered in cases where there is a significant amount of income received in addition to social security; otherwise it can be ignored. Input in this group has no impact in the computation of the gross amount of social security benefits.

Other Income information is segmented in 4 groups of data; 2 for each analysis option-
1. Income in the year of retirement (year in which benefits start). Amounts entered here are used in determining the federal income tax bracket for taxing the social security benefits at in the initial year of benefits. Six separate income types are provided for related income in its category.

2. Annual other income during retirement. Enter an estimated average amount of income expected after the initial year.

*Notes - the app will automatically use the values entered for the Option 1 in the analysis of Option 2 unless you enter one or more values specifically for analysis of Option 2.

3. This is an option input category. If no information is entered the app will omit performing income tax computations.

There is no income tax if social security is the only income received.

Full Age Benefits – This entry should represent the initial social security amount you will receive if elected to start your benefits at the Full Retirement Age (FRA). This amount is periodically provided to social security contributors by the Social Security Administration prior to retirement. This is a key amount that is used to determine your primary benefits at other ages starting at the age of 62.

**This is an essential item needed for this optimizer to perform the computations and analysis.*

Life Expectancy – Social Security benefit is a lifetime commitment. The monthly benefit payments once started are made for the rest of life. This duration can be projected here for the benefit recipient and, in joint analysis of married couples, for the spouse also. If no value is entered the app defaults to the current life expectancy default of 85 years that is used by the Social Security Administration.

**This is an essential item needed for this optimizer to perform the computations and analysis.*

Rate of Return – Annual rate of return on cash investments. The input is provided to facilitate reference computations of the future value of accumulated payments with each payment growing at the rate entered here. This could be a planning factor for determining the benefit start time if a high rate of return could be achieved for the payment received. An additional showing the growth values is displayed in the analysis when this input is present.

Start SS opt 1 – This is the age for which you want to analyze the start-of-benefits. In a joint analysis of married couples you will need to enter the start age for each spouse. Age is selected by tapping on the dropdown list that starts at age 62 and increases by one month till age 72. The app provides for comparative analysis of two options for the start-of-benefit options. This slot should be used for the first option in which the start age is earlier.

**This is an essential item needed for this optimizer to perform the computations and analysis.*

Start SS opt 2 – Enter the age for which you want to analyze the start-of-benefits as a second option. In a joint analysis of married couples you will need to enter the start age for each spouse. Age is selected by tapping on the dropdown list that starts at age 62 and increases by one month till age 72. This slot should be used for the second option to be analyzed. In a joint analysis the order of spouse's should be kept the same as in option 1. If option 2 information is not entered the analysis will display one column of results and the graphs will contain one projected line each.

Living Expenses – This group of input items can provide you with an analysis of monthly expenses at the start of social security benefits. It provides you with several input slots covering most common type of expense items. If information is entered here the analysis will display a fulfillment bar in the analysis of each option. This bar is shown in green and red colors indicating the percentage of monthly cash needs are fulfilled by the social security payment. Green represents the fulfilled portion and the unfulfilled part is shown in red.

In addition the app provides a pie chart that displays each category of expenses entered and how well it is fulfilled. The choice to display this graphic report is shown only when monthly expense information has been entered.

Advanced – This button can be tapped to change a number of settings for the following items_

Marital status (for single or Married analysis)

Income tax settings.

Personal data (for report titles)

Analysis* – The analysis displayed on the top half of the screen includes results for the data entered for each option as follows-

Starting Date – Date when the first benefit payment starts

Monthly Benefits – Initial payment amount of the first spouse

Max Monthly Pmt – This line shows the highest monthly payment received when social security benefits are entered to be increasing by an inflation index.

First Full Year – Sum of first 12 benefit payments

Net of Income Tax – Shown when income taxes are applied

Cash Needs Filled – Shown when Living Expenses are entered. Display includes a fulfillment bar in the analysis of each option. This bar is shown in green and red colors indicating the percentage of monthly cash needs are fulfilled by the social security payment. Green represents the fulfilled portion and the unfulfilled part is shown in red

Lifetime Benefits – Sum of each payment received

Net of Growth-Tax – This amount is computed as-
Sum of each payment grown with the Rate of Return
MINUS
Income taxes paid

Break-Even Age – In analyzing the two options entered the Break-Even is the age when the total income in one option crosses the total income in the other option. This is a commonly used planning factor in evaluating the start of benefits under different

options. It computes the age point when a later starting benefit option starts to exceed an earlier starting option in terms of total benefits.

Annual Graph – Line graph showing payments from beginning to end under each option

Cumulative Graph – Line graph showing payment accumulation from start to end

**Tap on any result displayed in the analysis for details on how it was computed*