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## The End is Near...

The end is near and I do not mean the end of the world. The end is near for future retirees to use two key Social Security claiming strategies that potentially could add thousands of extra dollars to your income. I wrote about this last year but thought that it was worth one last reminder. If you are at least 66 and wish to apply for the "file and suspend" strategy, that must take place by April 29, 2016. Requests submitted on or after April 30 will be subject to new rules. Under the new rules, no one will be able to collect benefits on a worker's earnings record (including a spouse and/or children) if the suspend option is requested after that. In addition, lump sum payouts will also be eliminated after this date. If you are at least age 66 by April 29, filing can still grandfather these options for you.

File-and-suspend has been one of the most popular and most frequently used claiming options available to couples since the Senior Citizens' Freedom to Work Act of 2000. This strategy was a popular method used by couples with markedly different lifetime incomes. Under file-and-suspend, the higher-earning individual, upon reaching full retirement age (age 66 for anyone born in years 1943-1954), filed for Social Security benefits but then immediately suspended the benefit by not taking the Social Security payment. Suspending these benefits allowed that benefit to continue to grow over time at a rate of around 8% per year until age 70.

Meanwhile, upon reaching full retirement age, the lower-earning spouse would claim spousal benefits. This was called filing a "restricted application." When the higher-earning spouse hit age 70, he/she would then file for the benefits that had been accruing at the additional 8%. The lower-earning spouse would continue the spousal benefit until they turned 70. At that point they would end the spousal benefit and take their own monthly accrued benefit assuming it was larger. Under the new rules, anyone born on or after January 2, 1954, will lose their right to file a restricted claim for spousal benefits in the future.

While it may sound complicated (and probably is/was), the net effect of the file-and-suspend strategy often provided many thousands of dollars in additional payments to the married couple over their lifetime. If a single individual over age 66 decides to postpone collecting retirement benefits until age 70, they should also employ the file and suspend strategy by April 29 since it preserves the lump sum payout option.

In a nutshell, the amount of your Social Security payout depends upon the credits you earn over a 35 year working career and the age at which you file for your retirement benefits. Once you file, the amount of the monthly check is set in stone for the rest of your life. A cost of living adjustment may be given in some years depending upon inflation calculations. You may file at age 62 for an early benefit, but you will receive a reduced payout. Filing at your "full retirement age" of 66 nets you a full payout. By waiting until age 70, you receive 32% more every month than if you had filed at age 66, and 76% more than you would by claiming your benefits at 62. The break-even point between collecting benefits at age 62 or waiting until 70 can range from about age 81 to 87 depending upon taxes, investment returns and other factors. Live beyond that period and you will be ahead of the game by waiting to start collecting your benefits. The file-and-suspend strategy sought to maximize the interplay of all these factors.

The new Social Security claiming rules appear to be causing a lot of confusion, even for some of the Social Security employees at the local offices. It is my understanding that administrative directives have now been sent out to clarify the situation. However, if you think that you can qualify for these strategies but are told otherwise by a Social Security representative, refer that representative to their own agency website. If that does not work, ask for a supervisor. And if the supervisor is unable to resolve the issue, insist on filing so that it is logged into the system and you can get a formal decision later. Always ask for the full name of the person you spoke with and keep track of what they told you. As a final resort, visit your local Congressional office and request assistance. Each Congressional office has an employee who works with Social Security. .

If you or someone that you know has access to a computer, you can file for your Social Security benefits online and then immediately suspend those benefits. You must first establish an account for yourself before this can be done by going to [www.ssa.gov](http://www.ssa.gov) and clicking on "Sign In or Create an Account". After opening your account, fill out the application to apply for retirement benefits and then immediately suspend. There is no specific "file and suspend" option box to click on. You **MUST** note in the "comment" box at the end of the application that you would like to file and immediately suspend.

Just to let you know that I try to practice what I preach, I completed my file and suspend application online on March 7 and received notification via U.S. mail on March 24 that it was approved. I will wait until age 70 to collect my increased retirement benefits. Cecelia will collect one-half of my benefit when she turns 66. I have also preserved my ability to collect a lump sum benefit if something unfortunate should happen to me in the meantime.

Let me know if I can help you. Tree preparation and planting is starting after I complete this article. Yea spring! Take good care!!!

## Oh Drat! Where on earth did I park my car?

By: *Patricia Thompson*

Or, I just walked into the garage to get the rake and came out with the hose! How about when you go to Kroger to get milk and come back home with \$25 dollars worth of groceries and no milk. Don't you find these little memory fizzles annoying. One of my children, can't remember which one, recently bought me a book called "1,000 Unforgettable Senior Moments", by *Tom Friedman*. I would like to share some sections with you which clarified the brain fizzles and gave a few chuckles as well.

The most familiar type of forgetting is absentmindedness, in which information is never properly encoded in one's memory, if it's encoded at all. Say you misplaced your keys. When you laid them down you weren't giving their location your full attention, you were distracted, or, as the scientist say, your attention was "divided".

But these memory lapses can be junior moments as well as senior moments. After all, teenagers who are walking almanacs of useless information can lose one jacket after another, making their parents crazy. They can study all night for a test and in the morning forget everything they learned if the information isn't encoded in their memories.

But it is true that as we get older we do seem to suffer senior moments more often. Certainly, we're more conscious of our forgetfulness as we age, whereas kids tend to shrug it off. The stakes are higher for us. We have more things to do, more responsibilities....

It's not that there isn't enough "room" in our memory to fit everything in; it's just that as we grow older, we tend to remember the more important stuff and don't bother as much as we used to with inconsequential information. Think of having senior moments as evidence of having a more discriminating mind. (You might want to use this line yourself the next time your loved ones get exasperated with you.)

Forgetting serves an important function for our species. What would our lives be like if we didn't forget anything – if we remembered every ad movie we ever sat through, every face we saw, every argument we had? How could we function if our attention couldn't be divided? Driving, eating, having sex, and following the plots of political thrillers, to name just a few things, would be impossible. What are a few intensely irritating memory lapses compared to the nightmare of remembering *everything*? ...

For those of you who are not only forgetful but masochistic, here's the bad news: There's another type of forgetting-- called "transcience" – that does occur with the passage of time. A number of studies have shown that seniors in general have more difficulty remembering information they've been asked to learn than college students do. Even when older people recall information as well as younger folks do, their memories fade faster. They have more trouble remembering the precise details of something, even when they still recall the gist of it. (That's why I can't remember how to fix my computer when strange mishaps occur and therefore call my grandson!)

There's another variant of forgetting that can be age related, as well. It occurs when something has been stored in your memory, but you can't retrieve it when you need to. For some, this is the most diabolical senior moment of all. It's the information that's on the "tip of your tongue." Scientists, who are an unpoetic lot, call it "blocking." Blocking happens more often among older people than younger people. (Surprise!) .... Proper names are easiest to block because often they are not accompanied by context clues; they're not very well integrated with related concepts, knowledge, and associations that might jog your memory. ... Now there are a lot of books you can buy and courses you can take about how to add context clues to names etc. But if you're not going to devote enough time, energy, and money to improving your memory significantly, as you get older, I would recommend my approach, which is easier and cheaper. Just mumble, "It's so nice to see you," when cornered by someone whose name you can't recall, and avoid at all cost playing Trivial Pursuit, chess, and poker.

Here are some of my favorite "1,000 Unforgettable Senior Moments" from the book.

- Because he couldn't remember anyone's name, Chuck Berry called everyone Jack. Zsa Zsa Gabor, who was once asked about her equally bad memory, replied "Dahling, how do you think the "dahling" thing got started?"
- When Richard Nixon arrived in Paris for the funeral of French President Georges Pompidou in April 1974, his mind must have been elsewhere. At the airport he declared, "This is a great day for France!"
- Something must have slipped the collective mind of New York investment firm Bear Stearns when in 2002 it ordered the sale of \$4 billion worth of stock instead of the correct amount \$4 million, a 1,000 fold mistake. After its hideously expensive senior moment, the company was able to recover only about 85% of the mistakenly sold stock. And to think that a Bear Stearns advertisement had just boasted of the firm's ability to "execute complex transactions flawlessly."
- In 2002 officials of Teamsters Local 988 of Houston, Texas, must have forgotten they were running a union. They built a new meeting hall using nonunion labor. They then compounded their memory lapse by responding to a reporter's request for an on-the-record explanation with the statement, "Union workers cost too much."
- In 1999 NASA scientist sent the Mars Climate Orbiter 416 miles to orbit the red planet and study its surface. Two teams were responsible for navigation. Unfortunately, one used American measurements, the other used the metric system, and both forgot to check the other's calculations. Before the spacecraft could make it into orbit, it headed straight down to planet's surface and crashed.
- When Winston Churchill was asked "Remember me?" by someone who escaped his memory, he would reply, "Why should I?"
- *And truly, my favorite moment*—In the early 1950's, during a debate on the Middle East problem, Warren Austin, an American diplomat and U.S. delegate to the United Nations, sternly advised Jews and Arabs to "sit down and settle their differences like Christians."

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