SOCIAL SECURITY+
Quick Start Guide

Are you having effective conversations with your clients about how YOU can help them increase their Social Security in retirement?

Social Security+

- LifeYield's Social Security+ combines detailed analysis with a simple interface
- Compare filing strategies quickly and illustrate the benefit of coordinating your clients' retirement
- This guide shows how to access all its features

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The LifeYield Social Security+ combines detailed analysis with a simple interface. This guide shows how to access all its features.

1

Click the pencil icon next to each client name to edit date of birth, life expectancy, filing status, full retirement age (FRA) benefit amount, non-covered pension benefits, or marital status.

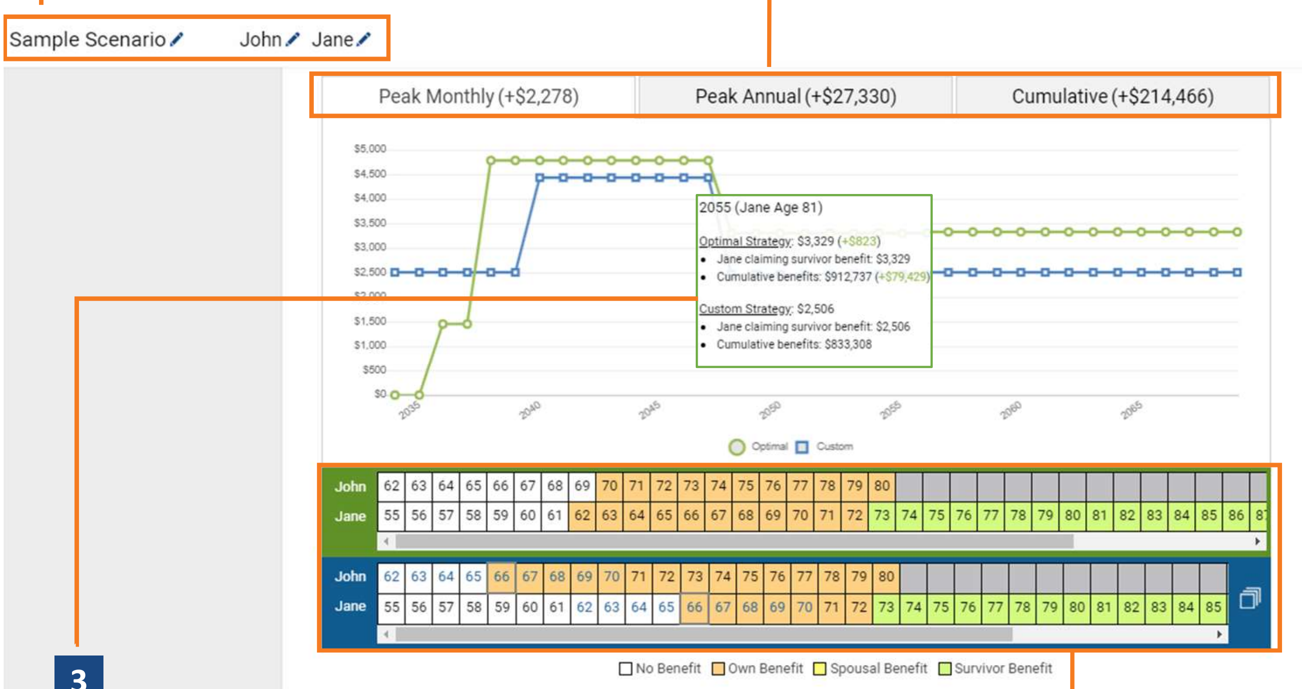
The assumed Cost of Living Adjustment (COLA) is set to 0% by default to show all results in today's dollars. Click the pencil icon next to the scenario name to edit or add a COLA.

2

Graphs reflecting the optimal vs. custom strategies instantly appear. Select the desired timeframe to compare potential benefit amounts on a monthly, annual, or cumulative basis.

Where the lines cross on the cumulative benefit chart will show in what year the cumulative benefits for the optimal strategy surpass those for the custom strategy.

The peak benefit amounts reflect how much more the optimal strategy could provide vs. the client's planned or custom strategy.



4

Income Gap | Download PDF

Click to generate a detailed report containing monthly and cumulative benefit charts, filing instructions, and a detailed breakdown of benefits for both strategies. If an income gap analysis was selected, this information will also be included in the report.

3

Click any point (year) on graph to compare optimal vs. custom strategy benefit.

The custom strategy reflects the ages your client's selected as the ages they expect to first claim benefits. The optimal strategy identifies the filing ages that could result in the most cumulative benefits over their projected lifetime.

In the monthly view, the difference in monthly payments is shown, along with the breakdown of benefits for each client for both the custom and optional strategies. In the annual and cumulative views, the annual benefit amounts are displayed. A comparison of cumulative benefits is shown in all three views.

5

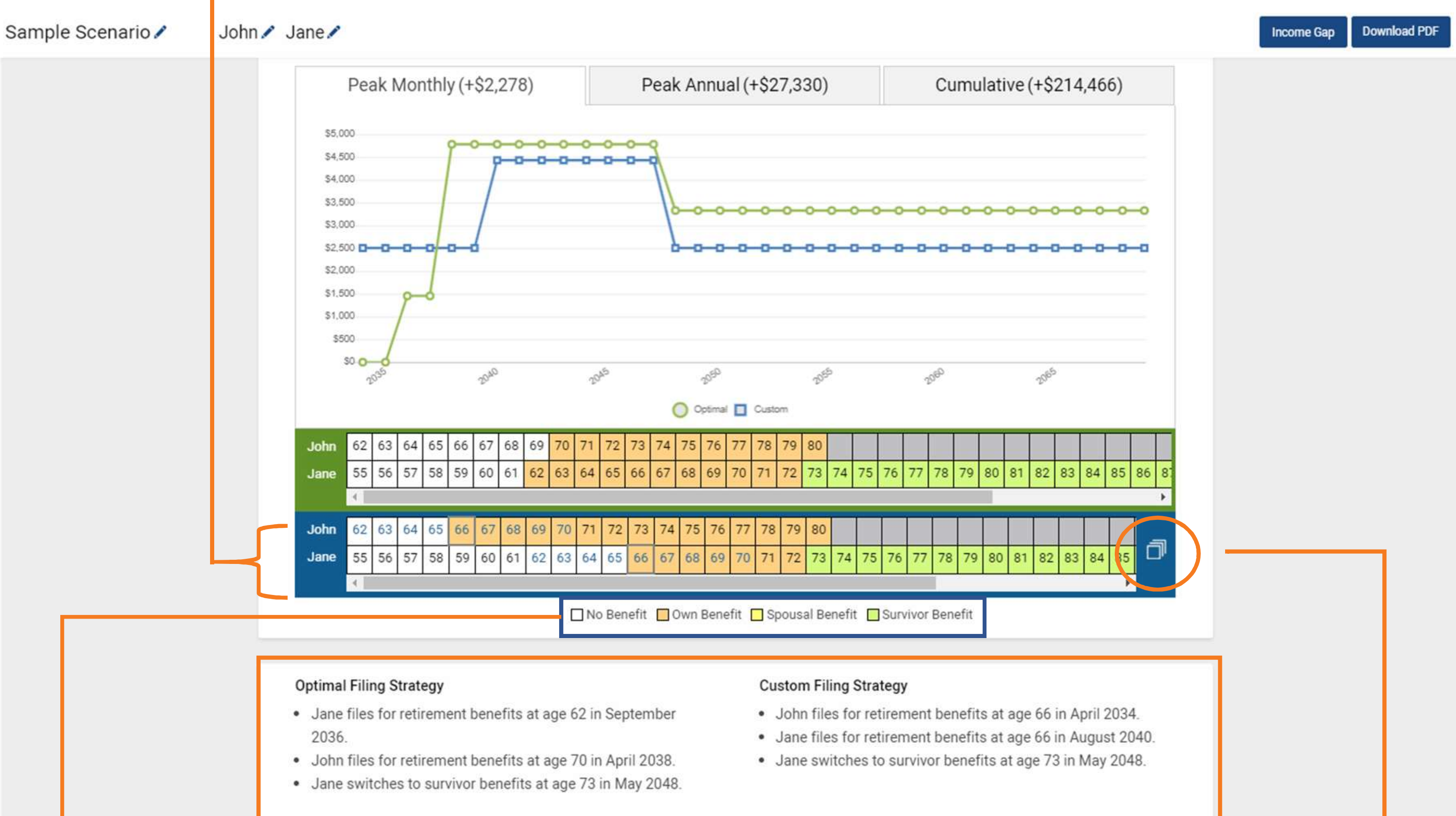
The timeline identifies which age combinations are selected for each strategy. Optimal strategy age combinations are shown in the green box. Custom strategy age combinations are shown in blue.

*The Social Security Administration (SSA) has special rules regarding benefits for divorcees. For example, to qualify as a divorcee with the SSA, the marriage must have lasted at least 10 years and the client must not have remarried. Furthermore, the LifeYield Social Security Optimizer assumes that the couple has been divorced for at least 2 years, so that maximum flexibility in filing options is available. A complete set of rules regarding divorcees and Social Security, as well as many other related topics, is available from the SSA at http://www.ssa.gov/pubs/EN-05-10035.pdf.

Advanced Options

Custom strategy age combinations

Optimal strategy age combinations are static and cannot be changed. Filing ages for the custom strategy can be changed by simply selecting any of the eligible filing ages identified with blue numbers. Charts and benefit projections will be updated to reflect the new filing age combinations. The custom strategy can be modified either via the timeline view, or by editing the retirement age inputs for each client.



Key showing how the timeline's color coding translates to the type of benefit (if any) being received by the client.

Filing instructions for both the optimal & custom strategies are always available below the graph and timeline.

The alternatives selector shows all the possible custom filing strategies for the age(s) provided, along with the cumulative benefit amount for each. The color coding shows the type and sequence of benefits, using the same colors as the timeline itself. The currently displayed strategy is highlighted in blue. Just tap/click alternatives to switch between custom filing strategies for comparison with the optimal strategy.

The selected custom strategy automatically shows in the chart, the filing instructions, and the downloadable report.

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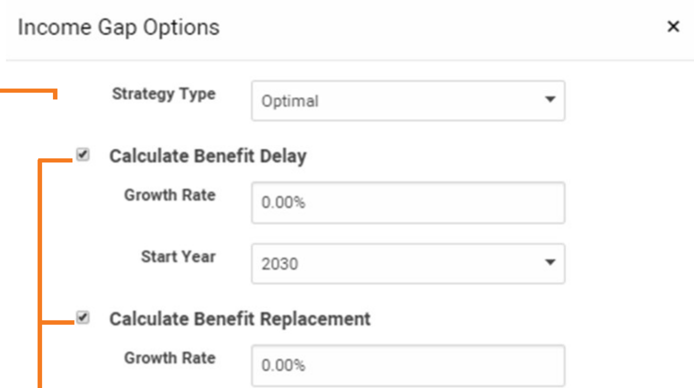
Benefit Delay & Benefit Replacement

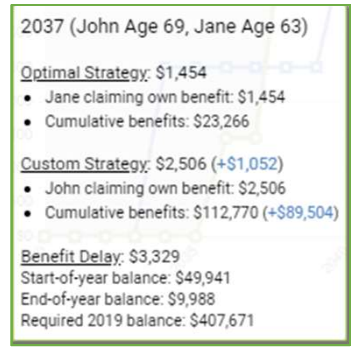
With Benefit Delay, the LifeYield Social Security+ calculates the cost of extending the peak Social Security benefit amount forwards to the selected year. With Benefit Replacement, the assets required to replace benefits lost after the date of first death for a married couple is calculated.



The strategy being evaluated for benefit delay and/or benefit replacement. Either the optimal or the custom strategy can be selected (but not both).

Turn benefit delay and/or benefit replacement on or off. Both features can be turned on at the same time if desired.
The growth rate is the assumed annual rate at which the benefit delay and/or benefit replacement assets grow. The start year is the year in which the first withdrawal is made from the benefit delay assets, and corresponds to client ages between ages 62 and 70.

When interacting with either of the gray shaded areas in the charts, the total initial assets required are displayed.
For benefit delay, these are the assets required in the current year to reach the necessary balance in the start year.
For benefit replacement, these are the assets required at first death.
These values are also included in an extra section of the downloadable report.



With benefit delay turned on for one of the filing strategies, a shaded area in the monthly, annual and cumulative charts shows the income being drawn from assets. This income matches the benefit amount of the peak Social Security benefit years, and the initial value is calculated such that it is completely depleted by the date of peak Social Security benefits.

With benefit replacement turned on for one of the filing strategies, a shaded area in the monthly, annual and cumulative charts shows the income being drawn from assets. This income maintains the peak benefit amount after the date of first death, and the initial value is calculated such that it is completely depleted at the date of second death.
Benefit replacement figures represent only the gap in anticipated benefits without regard to how the death of a spouse may impact normal living expenses. An individual may need more or less depending on their individual circumstance.

SOCIAL SECURITY+
Glossary

Social Security is a complicated topic. Here is a quick reference guide to common terms

Cost of Living Adjustment (COLA)
Social Security benefits are subject to an annual increase linked to inflation. In recent years COLA increases have taken effect in December.

Delayed Retirement Credits (DRCs)
A worker claiming their own benefits after FRA receives increased benefits for each month they delay up to age 70. These increases are referred to as Delayed Retirement Credits (DRCs), and while they don't affect spousal benefits based on the worker's account, they do increase survivor benefits.

Employment Record, Work Record, Account
When filing for Social Security benefits, a person may have a choice of filing on their own account with the Social Security Administration (SSA) - i.e. filing based on their own work history as linked to their Social Security Number - or filing on someone else's account (e.g. a husband might file for spousal benefits based on his wife's account).

Full Retirement Age (FRA)
The age at which a worker, spouse or survivor receives their full retirement benefit amount. Claiming benefits before FRA results in a reduced benefit, and claiming certain benefits after FRA can lead to an increased benefit. A worker's FRA varies based on their year of birth, and can be as high as 67 for younger clients.

Government Pension Offset (GPO)
For a spouse or widow(er) receiving spousal or survivor benefits on another worker's record, and who receives a pension from government employment, their benefit is typically reduced by 2/3 of the monthly pension amount, and may even be eliminated completely. More details on the rules regarding the GPO can be found at http://www.ssa.gov/pubs/EN-05-10007.pdf.

Initial eligibility
The earliest age at which a person is able to receive a benefit: typically age 62 for worker or spousal benefits, and age 60 for survivor benefits.

Primary Insurance Amount (PIA)
An amount determined by the SSA which represents a worker's anticipated monthly benefit if they claim at their FRA. The PIA is used as the basis for all benefit calculations based on the worker's record: the worker's own benefit, plus any dependent benefits such as those for a spouse or widow(er).

Prior Filing
Describes a situation where a user has already filed for Social Security benefits. The earliest possible age at which one could have filed is currently 62.

Restricted application
The type of application a spouse files in order to claim spousal benefits when they're eligible for either their own benefit or a spousal benefit at FRA or later. Their application for benefits is "restricted" to only the spousal benefit from their spouse's record. Only workers who attained age 62 by 2015 can take advantage of the file restricted strategy at FRA.

Spousal benefits
The benefits received by the spouse (and/or in some cases the ex-spouse) of a worker, when filing for spousal benefits on the worker's account.

Survivor benefits
The benefits a widow or widower (also, in some cases, children and even dependent parents) is eligible to receive based on their deceased family member's work record. LifeYield's Social Security+ currently only considers benefits for a surviving spouse, and not other family members.

Widow(er)'s Limit
A limit to the maximum amount of survivor benefits a surviving spouse is able to receive. This limit only takes effect when the surviving spouse files for benefits before reaching their FRA.

Windfall Elimination Provision (WEP)
For a worker who receives a pension from government employment, reached initial eligibility in 1985 or later, and worked fewer than 30 years in a job where Social Security taxes were paid, a reduction in their PIA of up to half their monthly government pension amount may apply. This adjustment also impacts dependent benefits such as spousal benefits, but does not impact survivor benefits. More details on the WEP and the rules surrounding it (including some exemptions) are available at http://www.ssa.gov/pubs/EN-05-10045.pdf.

Worker benefits, retirement benefits, Retirement Insurance Benefits (RIB)
The benefits received by a person filing for benefits on their own SSA account. A summary of the rules around worker benefits, spousal benefits and many other aspects of Social Security can be found at http://www.ssa.gov/pubs/EN-05-10035.pdf.

SOCIAL SECURITY+

Social Security+ is a web-based application and can be used on any Windows, Mac, or Linux system using one of the browsers listed below:

- Microsoft Edge
- Mozilla Firefox (Version 30.0 and above)
- Google Chrome (Version 36.0.1985.125 and above)
- Apple Safari (Version 5.1.7 and above)
- Opera (Version 22.0.1471.70 and above)

You can also access the software using Mobile Safari on Apple iPad running iOS 7 or above.

Disclaimers

This tool demonstrates options for receiving your Social Security benefits. The results shown are hypothetical based on the information you provided and are not a guarantee of future benefit values or investment results. Contact your financial professional or the Social Security Administration for more information.

Social Security+ helps you become better informed prior to filing for your Social Security retirement benefits. It is not intended to provide an exact analysis, but it will help you determine the strategy and age you want to start your benefits. You will be able to explore different starting age combinations as well as different strategies that may be available. There are over 2,000 rules that may be applied. Although you may file for your retirement benefits online, some of the strategies illustrated in this report may require you to file in person. This report reflects the provisions and restrictions included in the Bipartisan Budget Act of 2015.

The Social Security Administration office is an excellent source for any specific questions about your benefits. Their website can be extremely helpful. Social Security+ helps you frame your thoughts before filing. It shows strategies and age combinations that you might not have considered. It eliminates guessing or rules-of-thumb by calculating all possible age combinations and illustrating the largest projected cumulative benefit.

Financial professionals are able to provide general information but not guidance or advice related to Social Security benefits. Client should seek guidance from the Social Security Administration regarding their particular situation. Financial professionals may be able to identify potential retirement income gaps, and may introduce insurance products, like an annuity, as a potential solution. Social Security payout rates can and will change at the sole discretion of the Social Security Administration.

This material is designed to provide general information on the subjects covered. It is not, however, intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market, or recommend any tax plan or arrangement. Please note that Allianz Life Insurance Company of North America and Allianz Life Insurance Company of New York, their affiliated companies, and their representatives and employees do not give tax or legal advice. Encourage your clients to consult their tax advisor or attorney.

The results represented in this tool are provided by LifeYield, LLC, and are deemed reliable but are not guaranteed. Rules and restrictions added by the Bipartisan Budget Act of 2015 have been added to the best extent possible, but because some restrictions require exact date of birth, you should confirm actions with the Social Security Administration before implementing.

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