



# Social Security Optimization Talking Points

## What is Social Security Optimization?

- ▶ Enhancement to the Social Security recommendation within the Morningstar Retirement Manager tool.
- ▶ Social Security recommendation now provides a breakdown of a participant's estimated Social Security benefit by age of withdrawal (62-70).

## How is the Social Security estimate made?

- ▶ Morningstar Investment Management uses the Social Security Administration's calculation, which is based on a participant's earnings over the course of their working lifetime, to estimate each year's benefit.

## Why should my clients care?

- ▶ By showing a breakdown of what a participant's benefit would be each year over a nine-year period, participants will now be able to better understand the impact of taking Social Security at different ages, as well as the benefit of being more patient.
- ▶ With this additional information, participants can now make a more educated decision when deciding when to take Social Security.

## Who is this available for?

- ▶ This is available to all participants under the age of 71.
- ▶ Participants 50 and older will most likely show the most interest in this enhancement, as they are closer to making the decision of when to take Social Security.

## What else should I know?

- ▶ If a participant selects to compare all ages for taking Social Security (this is on the advice dashboard), they will open a modal that consists of three columns:
  - Start age: Age at which a participant can start taking Social Security
  - Penalty: The estimated amount the participant would lose if they choose to take Social Security before their full benefit age (<67)
  - Estimated benefit: The estimated benefit a participant would receive if they choose to take Social Security at or above their full benefit age (≥67)
- ▶ Within the modal, participants have four options:
  - Move forward with Morningstar's initial recommendation for when to take Social Security by exiting out of the modal and returning to the advice dashboard.
  - Select one of the nine available ages to take Social Security.
  - Choose to enter their own estimates for Social Security.
  - Opt to not rely on Social Security as part of their retirement strategy.