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Make an informed Social Security decision

*Your personalized Social Security report, powered by Social Security
Timing[®] — Compare your options and choose for your future*

Prepared for: Jim & Linda Sample

Prepared by: Nationwide Retirement Institute

Friday, January 1, 2016

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Assumptions

High Wage Earner		Spouse
Name	Jim	Linda
Date of Birth	1/5/1954	1/5/1954
Gender	M	F
Assumed Inflation	2.70 %	
Real Rate of Return	0.00 %	
Full Retirement Age	66 years	66 years
Income Need	\$7,500	
Survivor Need	\$5,000	

Estimated Monthly Benefits

Age	62	63	64	65	66	67	68	69	70
Jim	\$1,810	\$1,971	\$2,193	\$2,426	\$2,669	\$2,961	\$3,266	\$3,585	\$3,920
Linda	\$980	\$1,068	\$1,188	\$1,314	\$1,446	\$1,603	\$1,769	\$1,942	\$2,123

Why are the estimated benefits different from my Social Security Statement?

Your Social Security Statement makes certain assumptions that differ from the assumptions we make in preparing your analysis.

First, Social Security assumes that the average wages will not increase in the future. Average wage statistics are used to index your past earnings to equal today's dollars, and to adjust formulas in the benefit calculation. We assume that the average wage will increase at the same pace as inflation, and we adjust your earnings as well as the formulas for future election years based on this assumption.

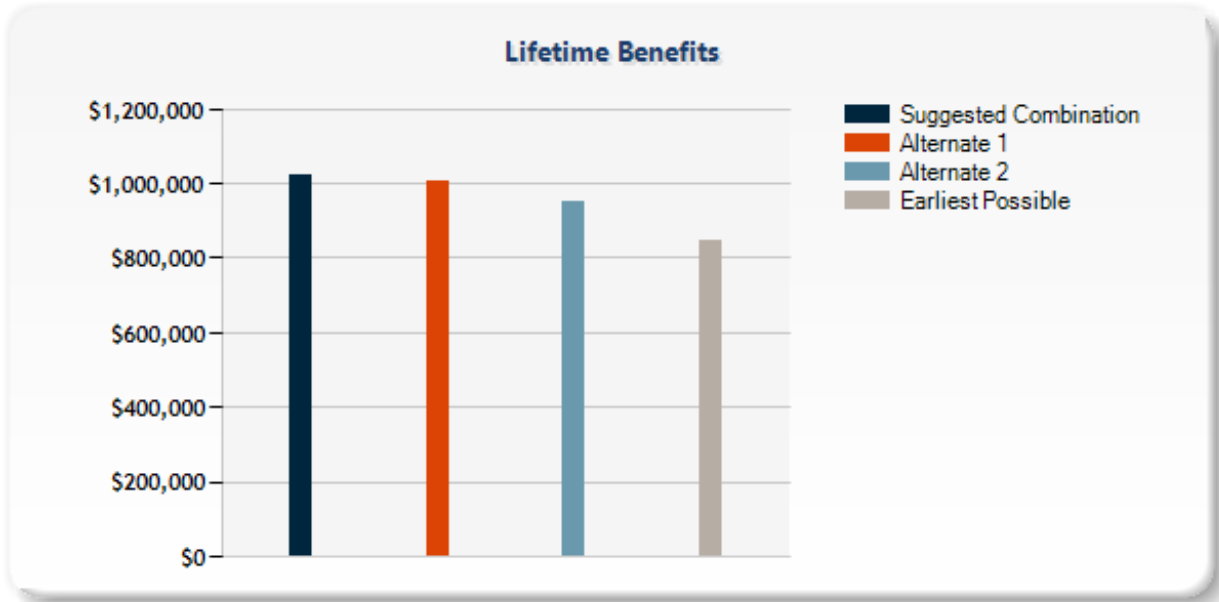
Second, your Social Security Statement does not include cost of living adjustments. Historically, cost of living adjustments have occurred regularly and a recent Social Security Trustees report (<http://www.ssa.gov/oact/tr/2015/>) assumes long term Cost of Living Adjustments to be between 1.8% and 3.8% per year with the most likely average being 2.7% per year. The benefit amounts above include Cost of Living adjustments based on the 2.70 % inflation assumption per year that you entered.

The raw dollar amount of your future benefit is of interest to most of our clients and as a result, we present that information above and through this report when potential benefit amounts are referenced. As a result, the monthly benefit amounts above and through the remainder of this report represent your benefits in future dollars. We have taken substantial care to utilize the lifetime values of different benefit elections in today's dollars, using a real rate of return of 0.00 %. Lifetime benefit values throughout this report represent the present value of benefits based on the estimated cashflows on the respective strategy cashflow tables. Cashflow tables are annual cashflows. "Strategy" in this report is used to denote a set of Social Security claiming ages and techniques, not an investment strategy.

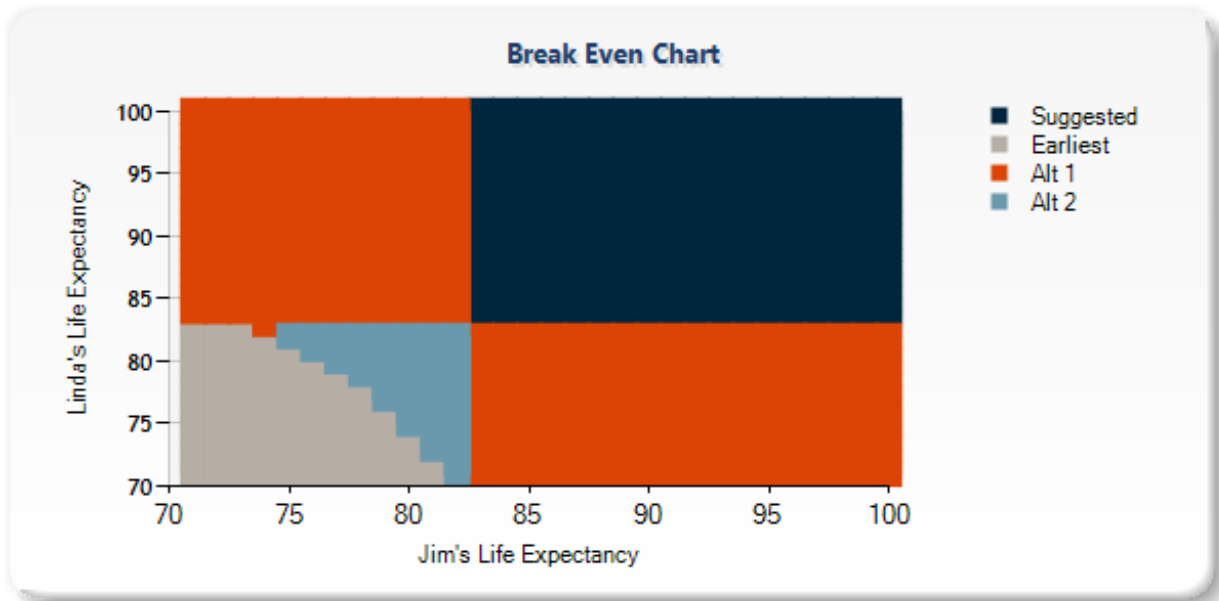
Strategy Comparison

The expected lifetime family benefit using the **suggested** strategy is: **\$1,023,660**

- The expected lifetime family benefit for the **first alternate** available combination is: **\$1,007,381**
- The expected lifetime family benefit for the **second alternate** available combination is: **\$951,007**
- The expected lifetime family benefit for the **earliest** available combination is: **\$848,778**



Graph represents present value of Lifetime Family Benefits. The preceding chart and comparisons assume that Jim dies at age 86 years and Linda dies at age 89 years.



Graph illustrates which of the outlined strategies provides the best outcome at any given set of whole year death age combinations. Break Even points occur at combinations where the strategy offering the best outcome changes. The Suggested strategy was determined by assuming Jim dies at 86 years and Linda dies at 89 years.

Your Suggested Social Security Strategy

Jim

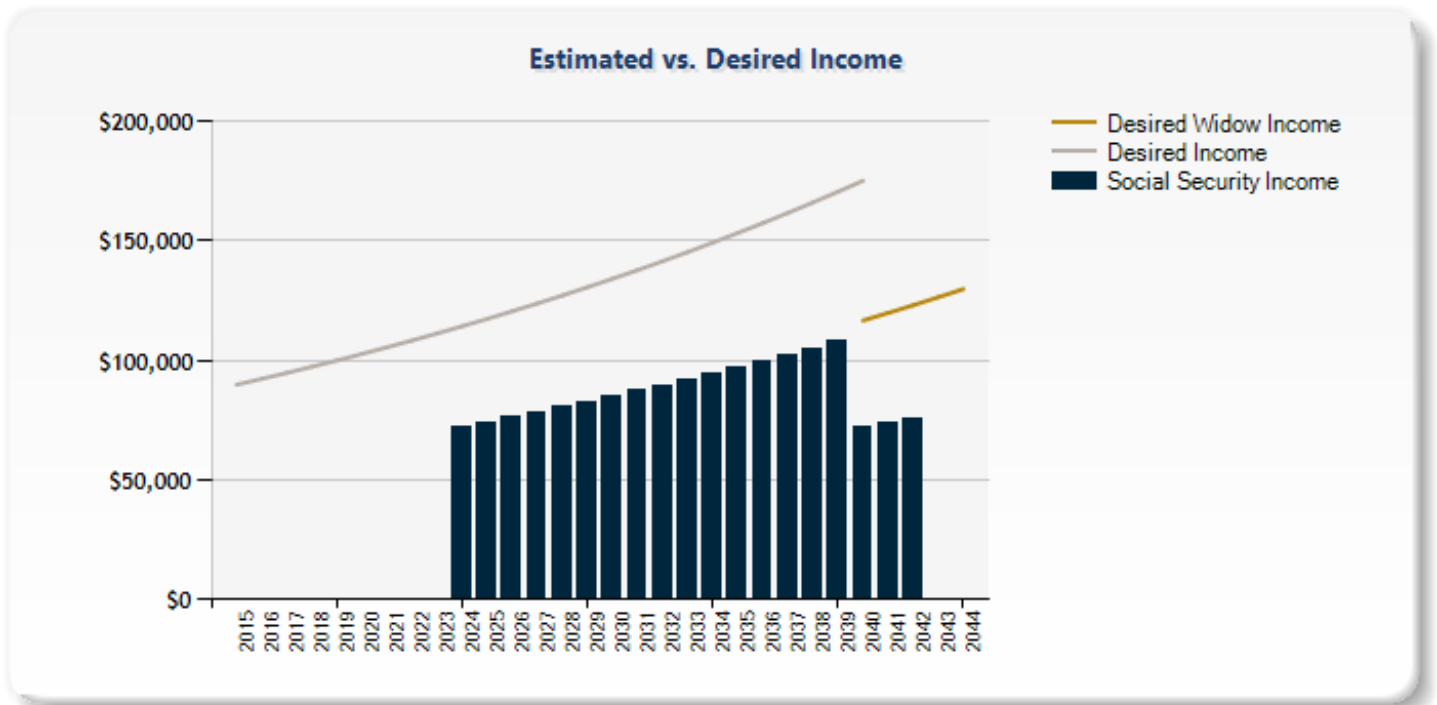
- File a standard application for benefits at your age **70 years**. Your approximate benefit would be **\$3,920**

Linda

- File a standard application for benefits at your age **70 years**. Your approximate benefit would be **\$2,123**

The expected lifetime family benefit using this strategy is: **\$1,023,660**

Using the Suggested Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *Suggested Social Security Strategy*

Jim Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$592,030	\$0	\$0

Linda Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$320,629	\$0	\$111,001

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary					
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow	Total	Other*	Need	Gap
2015	61	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2016	62	\$0	\$0	\$0	62	\$0	\$0	\$0	\$0	\$0	\$92,430	(\$92,430)
2017	63	\$0	\$0	\$0	63	\$0	\$0	\$0	\$0	\$0	\$94,925	(\$94,925)
2018	64	\$0	\$0	\$0	64	\$0	\$0	\$0	\$0	\$0	\$97,488	(\$97,488)
2019	65	\$0	\$0	\$0	65	\$0	\$0	\$0	\$0	\$0	\$100,120	(\$100,120)
2020	66	\$0	\$0	\$0	66	\$0	\$0	\$0	\$0	\$0	\$102,824	(\$102,824)
2021	67	\$0	\$0	\$0	67	\$0	\$0	\$0	\$0	\$0	\$105,600	(\$105,600)
2022	68	\$0	\$0	\$0	68	\$0	\$0	\$0	\$0	\$0	\$108,451	(\$108,451)
2023	69	\$0	\$0	\$0	69	\$0	\$0	\$0	\$0	\$0	\$111,379	(\$111,379)
2024	70	\$47,040	\$0	\$0	70	\$25,476	\$0	\$0	\$72,516	\$0	\$114,386	(\$41,870)
2025	71	\$48,300	\$0	\$0	71	\$26,160	\$0	\$0	\$74,460	\$0	\$117,475	(\$43,015)
2026	72	\$49,608	\$0	\$0	72	\$26,868	\$0	\$0	\$76,476	\$0	\$120,647	(\$44,171)
2027	73	\$50,940	\$0	\$0	73	\$27,588	\$0	\$0	\$78,528	\$0	\$123,904	(\$45,376)
2028	74	\$52,320	\$0	\$0	74	\$28,332	\$0	\$0	\$80,652	\$0	\$127,250	(\$46,598)
2029	75	\$53,736	\$0	\$0	75	\$29,100	\$0	\$0	\$82,836	\$0	\$130,685	(\$47,849)
2030	76	\$55,176	\$0	\$0	76	\$29,880	\$0	\$0	\$85,056	\$0	\$134,214	(\$49,158)
2031	77	\$56,664	\$0	\$0	77	\$30,696	\$0	\$0	\$87,360	\$0	\$137,838	(\$50,478)
2032	78	\$58,200	\$0	\$0	78	\$31,524	\$0	\$0	\$89,724	\$0	\$141,559	(\$51,835)
2033	79	\$59,772	\$0	\$0	79	\$32,364	\$0	\$0	\$92,136	\$0	\$145,381	(\$53,245)
2034	80	\$61,380	\$0	\$0	80	\$33,240	\$0	\$0	\$94,620	\$0	\$149,307	(\$54,687)
2035	81	\$63,036	\$0	\$0	81	\$34,140	\$0	\$0	\$97,176	\$0	\$153,338	(\$56,162)
2036	82	\$64,740	\$0	\$0	82	\$35,064	\$0	\$0	\$99,804	\$0	\$157,478	(\$57,674)
2037	83	\$66,492	\$0	\$0	83	\$36,012	\$0	\$0	\$102,504	\$0	\$161,730	(\$59,226)
2038	84	\$68,280	\$0	\$0	84	\$36,972	\$0	\$0	\$105,252	\$0	\$166,097	(\$60,845)
2039	85	\$70,128	\$0	\$0	85	\$37,980	\$0	\$0	\$108,108	\$0	\$170,581	(\$62,473)
2040	86	\$0	\$0	\$0	86	\$0	\$0	\$72,024	\$72,024	\$0	\$116,791	(\$44,767)
2041	87	\$0	\$0	\$0	87	\$0	\$0	\$73,968	\$73,968	\$0	\$119,945	(\$45,977)
2042	88	\$0	\$0	\$0	88	\$0	\$0	\$75,960	\$75,960	\$0	\$123,183	(\$47,223)
2043	89	\$0	\$0	\$0	89	\$0	\$0	\$0	\$0	\$0	\$126,509	(\$126,509)
2044	90	\$0	\$0	\$0	90	\$0	\$0	\$0	\$0	\$0	\$129,925	(\$129,925)
		\$925,812	\$0	\$0		\$501,396	\$0	\$221,952	\$1,649,160	\$0	\$3,771,440	(\$2,122,280)

* Other Income is a combination of government pension and earnings entered.

Your First Alternate Social Security Strategy

Jim

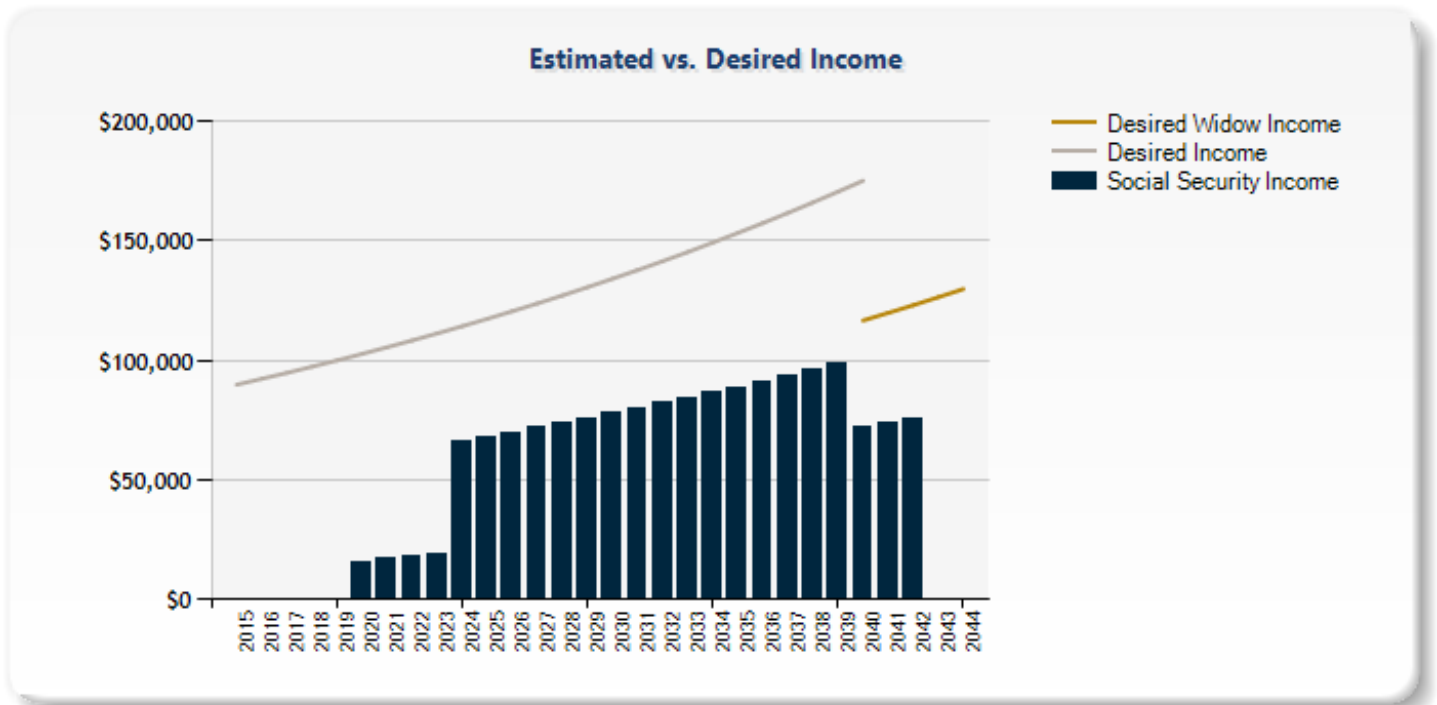
- File a standard application for benefits at your age **70 years**. Your approximate benefit would be **\$3,920**

Linda

- File a standard application for benefits at your age **66 years 1 months**. Your approximate benefit would be **\$1,455**

The expected lifetime family benefit using this strategy is: **\$1,007,381**

Using the First Alternate Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *First Alternate Social Security Strategy*

Jim Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$592,030	\$0	\$0

Linda Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$304,350	\$0	\$111,001

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary					
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow	Total	Other*	Need	Gap
2015	61	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2016	62	\$0	\$0	\$0	62	\$0	\$0	\$0	\$0	\$0	\$92,430	(\$92,430)
2017	63	\$0	\$0	\$0	63	\$0	\$0	\$0	\$0	\$0	\$94,925	(\$94,925)
2018	64	\$0	\$0	\$0	64	\$0	\$0	\$0	\$0	\$0	\$97,488	(\$97,488)
2019	65	\$0	\$0	\$0	65	\$0	\$0	\$0	\$0	\$0	\$100,120	(\$100,120)
2020	66	\$0	\$0	\$0	66	\$16,005	\$0	\$0	\$16,005	\$0	\$102,824	(\$86,819)
2021	67	\$0	\$0	\$0	67	\$17,940	\$0	\$0	\$17,940	\$0	\$105,600	(\$87,660)
2022	68	\$0	\$0	\$0	68	\$18,420	\$0	\$0	\$18,420	\$0	\$108,451	(\$90,031)
2023	69	\$0	\$0	\$0	69	\$18,912	\$0	\$0	\$18,912	\$0	\$111,379	(\$92,467)
2024	70	\$47,040	\$0	\$0	70	\$19,428	\$0	\$0	\$66,468	\$0	\$114,386	(\$47,918)
2025	71	\$48,300	\$0	\$0	71	\$19,944	\$0	\$0	\$68,244	\$0	\$117,475	(\$49,231)
2026	72	\$49,608	\$0	\$0	72	\$20,484	\$0	\$0	\$70,092	\$0	\$120,647	(\$50,555)
2027	73	\$50,940	\$0	\$0	73	\$21,036	\$0	\$0	\$71,976	\$0	\$123,904	(\$51,928)
2028	74	\$52,320	\$0	\$0	74	\$21,612	\$0	\$0	\$73,932	\$0	\$127,250	(\$53,318)
2029	75	\$53,736	\$0	\$0	75	\$22,188	\$0	\$0	\$75,924	\$0	\$130,685	(\$54,761)
2030	76	\$55,176	\$0	\$0	76	\$22,788	\$0	\$0	\$77,964	\$0	\$134,214	(\$56,250)
2031	77	\$56,664	\$0	\$0	77	\$23,400	\$0	\$0	\$80,064	\$0	\$137,838	(\$57,774)
2032	78	\$58,200	\$0	\$0	78	\$24,036	\$0	\$0	\$82,236	\$0	\$141,559	(\$59,323)
2033	79	\$59,772	\$0	\$0	79	\$24,684	\$0	\$0	\$84,456	\$0	\$145,381	(\$60,925)
2034	80	\$61,380	\$0	\$0	80	\$25,344	\$0	\$0	\$86,724	\$0	\$149,307	(\$62,583)
2035	81	\$63,036	\$0	\$0	81	\$26,028	\$0	\$0	\$89,064	\$0	\$153,338	(\$64,274)
2036	82	\$64,740	\$0	\$0	82	\$26,736	\$0	\$0	\$91,476	\$0	\$157,478	(\$66,002)
2037	83	\$66,492	\$0	\$0	83	\$27,456	\$0	\$0	\$93,948	\$0	\$161,730	(\$67,782)
2038	84	\$68,280	\$0	\$0	84	\$28,200	\$0	\$0	\$96,480	\$0	\$166,097	(\$69,617)
2039	85	\$70,128	\$0	\$0	85	\$28,956	\$0	\$0	\$99,084	\$0	\$170,581	(\$71,497)
2040	86	\$0	\$0	\$0	86	\$0	\$0	\$72,024	\$72,024	\$0	\$116,791	(\$44,767)
2041	87	\$0	\$0	\$0	87	\$0	\$0	\$73,968	\$73,968	\$0	\$119,945	(\$45,977)
2042	88	\$0	\$0	\$0	88	\$0	\$0	\$75,960	\$75,960	\$0	\$123,183	(\$47,223)
2043	89	\$0	\$0	\$0	89	\$0	\$0	\$0	\$0	\$0	\$126,509	(\$126,509)
2044	90	\$0	\$0	\$0	90	\$0	\$0	\$0	\$0	\$0	\$129,925	(\$129,925)
		\$925,812	\$0	\$0		\$453,597	\$0	\$221,952	\$1,601,361	\$0	\$3,771,440	(\$2,170,079)

* Other Income is a combination of government pension and earnings entered.

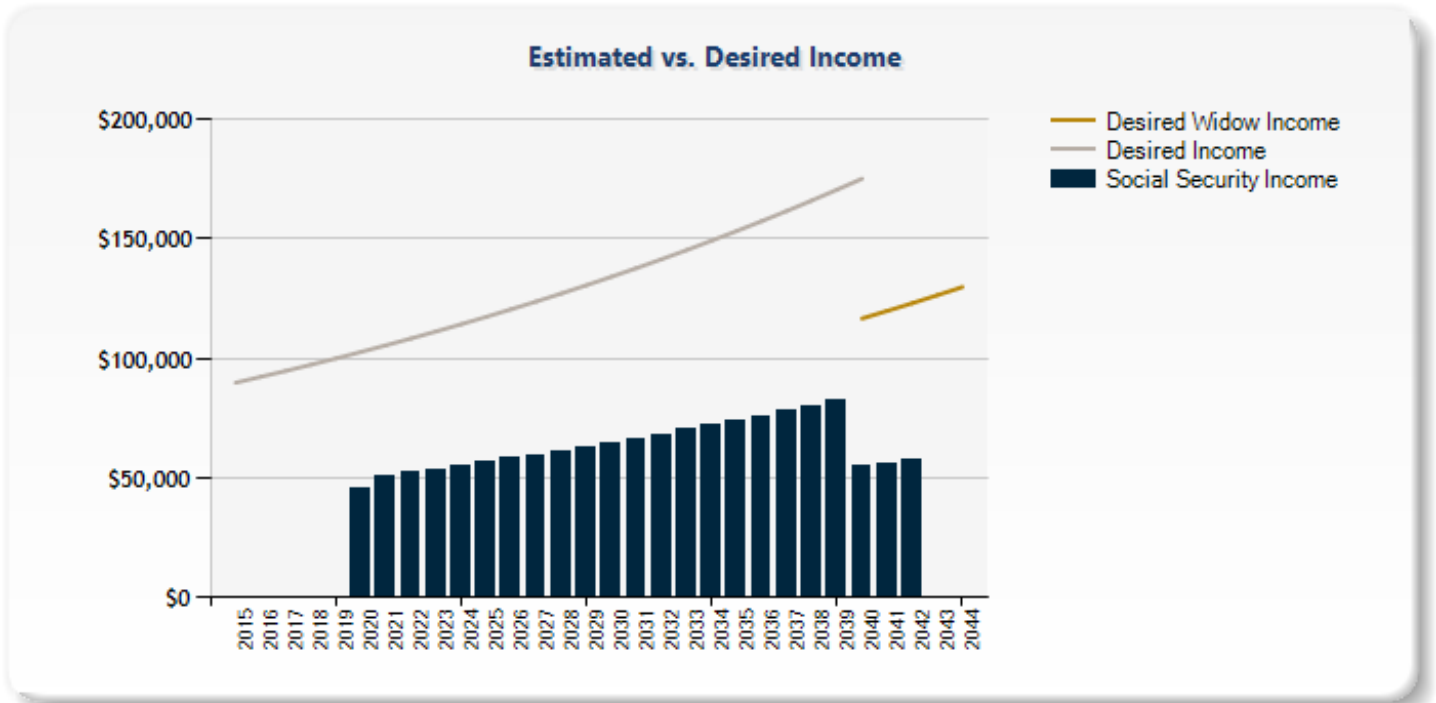
Your Second Alternate Social Security Strategy

Jim
 • File a standard application for benefits at your age **66 years 1 months**. Your approximate benefit would be **\$2,687**

Linda
 • File a standard application for benefits at your age **66 years 1 months**. Your approximate benefit would be **\$1,455**

The expected lifetime family benefit using this strategy is: **\$951,007**

Using the Second Alternate Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *Second Alternate Social Security Strategy*

Jim Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$562,015	\$0	\$0

Linda Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$304,350	\$0	\$84,643

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary					
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow	Total	Other*	Need	Gap
2015	61	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2016	62	\$0	\$0	\$0	62	\$0	\$0	\$0	\$0	\$0	\$92,430	(\$92,430)
2017	63	\$0	\$0	\$0	63	\$0	\$0	\$0	\$0	\$0	\$94,925	(\$94,925)
2018	64	\$0	\$0	\$0	64	\$0	\$0	\$0	\$0	\$0	\$97,488	(\$97,488)
2019	65	\$0	\$0	\$0	65	\$0	\$0	\$0	\$0	\$0	\$100,120	(\$100,120)
2020	66	\$29,557	\$0	\$0	66	\$16,005	\$0	\$0	\$45,562	\$0	\$102,824	(\$57,262)
2021	67	\$33,108	\$0	\$0	67	\$17,940	\$0	\$0	\$51,048	\$0	\$105,600	(\$54,552)
2022	68	\$34,008	\$0	\$0	68	\$18,420	\$0	\$0	\$52,428	\$0	\$108,451	(\$56,023)
2023	69	\$34,920	\$0	\$0	69	\$18,912	\$0	\$0	\$53,832	\$0	\$111,379	(\$57,547)
2024	70	\$35,868	\$0	\$0	70	\$19,428	\$0	\$0	\$55,296	\$0	\$114,386	(\$59,090)
2025	71	\$36,840	\$0	\$0	71	\$19,944	\$0	\$0	\$56,784	\$0	\$117,475	(\$60,691)
2026	72	\$37,824	\$0	\$0	72	\$20,484	\$0	\$0	\$58,308	\$0	\$120,647	(\$62,339)
2027	73	\$38,856	\$0	\$0	73	\$21,036	\$0	\$0	\$59,892	\$0	\$123,904	(\$64,012)
2028	74	\$39,900	\$0	\$0	74	\$21,612	\$0	\$0	\$61,512	\$0	\$127,250	(\$65,738)
2029	75	\$40,980	\$0	\$0	75	\$22,188	\$0	\$0	\$63,168	\$0	\$130,685	(\$67,517)
2030	76	\$42,084	\$0	\$0	76	\$22,788	\$0	\$0	\$64,872	\$0	\$134,214	(\$69,342)
2031	77	\$43,212	\$0	\$0	77	\$23,400	\$0	\$0	\$66,612	\$0	\$137,838	(\$71,226)
2032	78	\$44,388	\$0	\$0	78	\$24,036	\$0	\$0	\$68,424	\$0	\$141,559	(\$73,135)
2033	79	\$45,576	\$0	\$0	79	\$24,684	\$0	\$0	\$70,260	\$0	\$145,381	(\$75,121)
2034	80	\$46,812	\$0	\$0	80	\$25,344	\$0	\$0	\$72,156	\$0	\$149,307	(\$77,151)
2035	81	\$48,072	\$0	\$0	81	\$26,028	\$0	\$0	\$74,100	\$0	\$153,338	(\$79,238)
2036	82	\$49,368	\$0	\$0	82	\$26,736	\$0	\$0	\$76,104	\$0	\$157,478	(\$81,374)
2037	83	\$50,700	\$0	\$0	83	\$27,456	\$0	\$0	\$78,156	\$0	\$161,730	(\$83,574)
2038	84	\$52,068	\$0	\$0	84	\$28,200	\$0	\$0	\$80,268	\$0	\$166,097	(\$85,829)
2039	85	\$53,484	\$0	\$0	85	\$28,956	\$0	\$0	\$82,440	\$0	\$170,581	(\$88,141)
2040	86	\$0	\$0	\$0	86	\$0	\$0	\$54,924	\$54,924	\$0	\$116,791	(\$61,867)
2041	87	\$0	\$0	\$0	87	\$0	\$0	\$56,400	\$56,400	\$0	\$119,945	(\$63,545)
2042	88	\$0	\$0	\$0	88	\$0	\$0	\$57,924	\$57,924	\$0	\$123,183	(\$65,259)
2043	89	\$0	\$0	\$0	89	\$0	\$0	\$0	\$0	\$0	\$126,509	(\$126,509)
2044	90	\$0	\$0	\$0	90	\$0	\$0	\$0	\$0	\$0	\$129,925	(\$129,925)
		\$837,625	\$0	\$0		\$453,597	\$0	\$169,248	\$1,460,470	\$0	\$3,771,440	(\$2,310,970)

* Other Income is a combination of government pension and earnings entered.

Your Earliest Possible Social Security Strategy

Jim

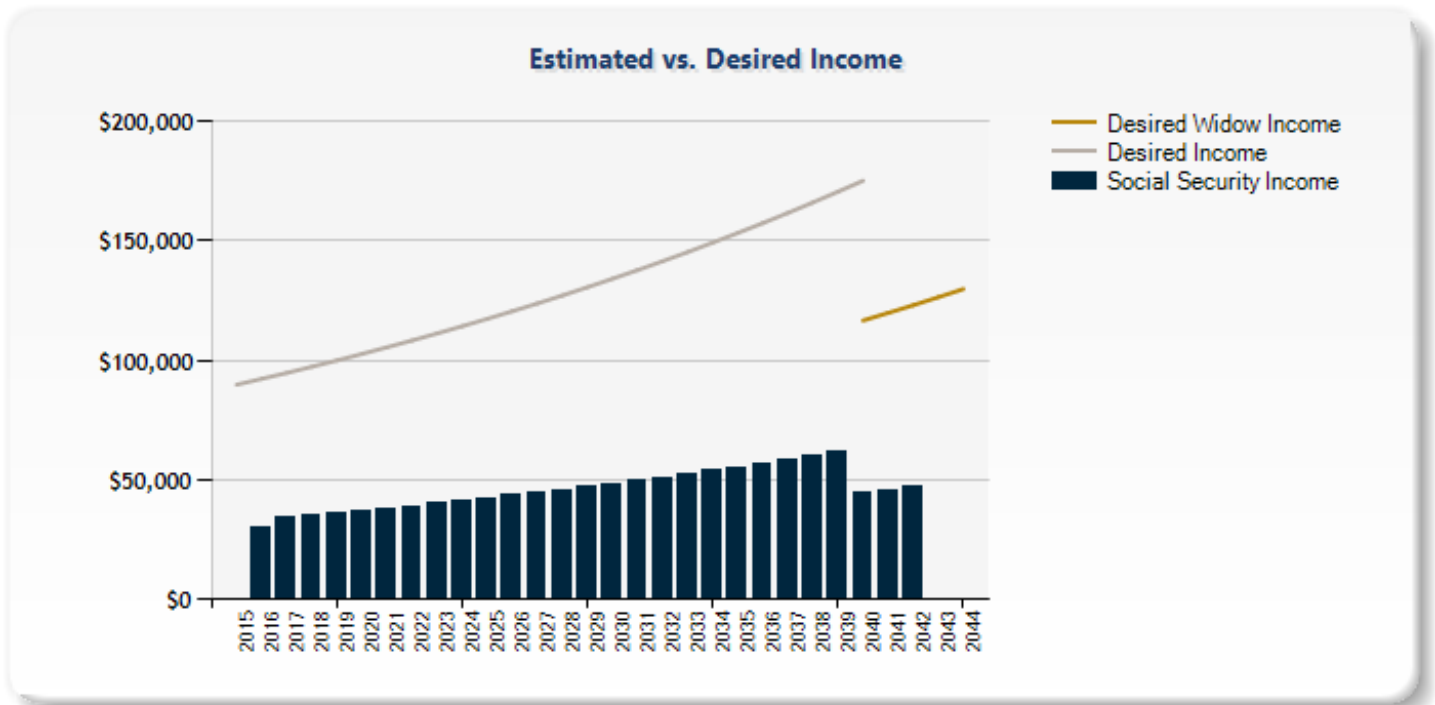
- File a standard application for benefits at your age **62 years 1 months**. Your approximate benefit would be **\$1,810**

Linda

- File a standard application for benefits at your age **62 years 1 months**. Your approximate benefit would be **\$980**

The expected lifetime family benefit using this strategy is: **\$848,778**

Using the Earliest Possible Election Ages



The preceding charts demonstrate future value cashflows using the assumptions outlined on the assumptions page of this report, and do not include taxes or any other source of income. The desired income line is generated based on user input and inflated for future value using the same inflation assumptions.

Estimated Cashflows for your *Earliest Possible Social Security Strategy*

Jim Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$505,611	\$0	\$0

Linda Combined Benefit Breakdown *Net Present Value*

Retirement	Spousal	Widow
\$273,797	\$0	\$69,369

Expected Cashflow *Future Values*

Year	Jim			Linda			Summary					
	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow	Total	Other*	Need	Gap
2015	61	\$0	\$0	\$0	61	\$0	\$0	\$0	\$0	\$0	\$90,000	(\$90,000)
2016	62	\$19,910	\$0	\$0	62	\$10,780	\$0	\$0	\$30,690	\$0	\$92,430	(\$61,740)
2017	63	\$22,296	\$0	\$0	63	\$12,072	\$0	\$0	\$34,368	\$0	\$94,925	(\$60,557)
2018	64	\$22,908	\$0	\$0	64	\$12,408	\$0	\$0	\$35,316	\$0	\$97,488	(\$62,172)
2019	65	\$23,520	\$0	\$0	65	\$12,732	\$0	\$0	\$36,252	\$0	\$100,120	(\$63,868)
2020	66	\$24,156	\$0	\$0	66	\$13,080	\$0	\$0	\$37,236	\$0	\$102,824	(\$65,588)
2021	67	\$24,804	\$0	\$0	67	\$13,440	\$0	\$0	\$38,244	\$0	\$105,600	(\$67,356)
2022	68	\$25,476	\$0	\$0	68	\$13,800	\$0	\$0	\$39,276	\$0	\$108,451	(\$69,175)
2023	69	\$26,160	\$0	\$0	69	\$14,172	\$0	\$0	\$40,332	\$0	\$111,379	(\$71,047)
2024	70	\$26,868	\$0	\$0	70	\$14,556	\$0	\$0	\$41,424	\$0	\$114,386	(\$72,962)
2025	71	\$27,600	\$0	\$0	71	\$14,940	\$0	\$0	\$42,540	\$0	\$117,475	(\$74,935)
2026	72	\$28,344	\$0	\$0	72	\$15,348	\$0	\$0	\$43,692	\$0	\$120,647	(\$76,955)
2027	73	\$29,100	\$0	\$0	73	\$15,756	\$0	\$0	\$44,856	\$0	\$123,904	(\$79,048)
2028	74	\$29,892	\$0	\$0	74	\$16,188	\$0	\$0	\$46,080	\$0	\$127,250	(\$81,170)
2029	75	\$30,696	\$0	\$0	75	\$16,620	\$0	\$0	\$47,316	\$0	\$130,685	(\$83,369)
2030	76	\$31,524	\$0	\$0	76	\$17,076	\$0	\$0	\$48,600	\$0	\$134,214	(\$85,614)
2031	77	\$32,376	\$0	\$0	77	\$17,532	\$0	\$0	\$49,908	\$0	\$137,838	(\$87,930)
2032	78	\$33,252	\$0	\$0	78	\$18,000	\$0	\$0	\$51,252	\$0	\$141,559	(\$90,307)
2033	79	\$34,152	\$0	\$0	79	\$18,492	\$0	\$0	\$52,644	\$0	\$145,381	(\$92,737)
2034	80	\$35,064	\$0	\$0	80	\$18,984	\$0	\$0	\$54,048	\$0	\$149,307	(\$95,259)
2035	81	\$36,012	\$0	\$0	81	\$19,500	\$0	\$0	\$55,512	\$0	\$153,338	(\$97,826)
2036	82	\$36,984	\$0	\$0	82	\$20,028	\$0	\$0	\$57,012	\$0	\$157,478	(\$100,466)
2037	83	\$37,980	\$0	\$0	83	\$20,568	\$0	\$0	\$58,548	\$0	\$161,730	(\$103,182)
2038	84	\$39,012	\$0	\$0	84	\$21,120	\$0	\$0	\$60,132	\$0	\$166,097	(\$105,965)
2039	85	\$40,068	\$0	\$0	85	\$21,696	\$0	\$0	\$61,764	\$0	\$170,581	(\$108,817)
2040	86	\$0	\$0	\$0	86	\$0	\$0	\$45,012	\$45,012	\$0	\$116,791	(\$71,779)
2041	87	\$0	\$0	\$0	87	\$0	\$0	\$46,224	\$46,224	\$0	\$119,945	(\$73,721)
2042	88	\$0	\$0	\$0	88	\$0	\$0	\$47,472	\$47,472	\$0	\$123,183	(\$75,711)
2043	89	\$0	\$0	\$0	89	\$0	\$0	\$0	\$0	\$0	\$126,509	(\$126,509)
2044	90	\$0	\$0	\$0	90	\$0	\$0	\$0	\$0	\$0	\$129,925	(\$129,925)
		\$718,154	\$0	\$0		\$388,888	\$0	\$138,708	\$1,245,750	\$0	\$3,771,440	(\$2,525,690)

* Other Income is a combination of government pension and earnings entered.

Concepts for Married Couples

Social Security offers three distinct types of benefits for retired workers and/or their spouses:

- a **Retired Worker benefit**, which is based on his or her own earnings record;
- a **Spousal Benefit**, which provides a worker's spouse with a benefit once the worker has claimed his own benefit; and
- a **Survivor Benefit**, which provides a surviving spouse with a benefit after a worker's death.

If you file prior to full retirement age, you are **deemed** to have filed for all benefits to which you are entitled. At full retirement age and beyond, there are two primary ways you can modify you or your spouse's application to increase your lifetime family benefits: the restricted application, and the ability to file and suspend.

From these two techniques arise several "Switch Strategies." We refer to these planning options as "Switch Strategies" because they often involve the election of a limited benefit initially, then a "Switch" to a larger benefit later.

How do Switch Strategies Work?

There are two basic techniques that enable switch strategies: the "restricted application," and the "file and suspend." ***When you go to the Social Security office, the individual you meet with may only be trained to help you identify the highest benefit you can get today, not necessarily over your lifetime, or over the joint lives of you and your spouse.*** As a result, you are unlikely to hear about these techniques during a typical visit.

Once you reach Full Retirement Age, you have the option to restrict your application to exclude certain benefits. If a benefit is excluded, it will continue to build delayed retirement credits. As an example, a higher earning spouse, who may want to wait until age 70 to collect his own benefit may be able to file at 66 for only the benefit available under his spouse's work record, while still allowing his own benefit to build delayed retirement credits. At age 70, he would switch to his own benefit. Alternatively, a lower earning spouse could restrict his or her application to only spousal benefits while continuing to claim delayed credits on his or her own earnings record. This technique can be used to help to increase lifetime income as well as survivor's benefits.

The second technique is the ability to file and suspend. Spousal benefits are not available until the primary earner has filed for his or her own benefits. The Senior Citizens' Freedom to Work Act of 2000 allows a worker to earn delayed retirement credits after filing for benefits if he requests that he not receive benefits during a given period. As a result, a higher-earning spouse can file for benefits, then immediately suspend the benefit, and continue to earn delayed credits. In the process, he will have made his spouse eligible for spousal benefits under his earnings record.

It is important to note that Social Security benefits are completely gender-neutral. In other words, any technique that is available to the "primary earner" is also available to the "secondary earner."

It is also important to note that the two techniques can be combined. For example, the higher earner could file and suspend to make a spousal benefit available to the secondary earner, who could then file a restricted application for only spousal benefits. This would allow both earners to earn delayed retirement credits on their own earnings records while still collecting some benefit now.

Our analysis considers all 81 possible whole-year election age combinations (62/62, 62/63, 62/64, etc) across nine separate election strategies incorporating the techniques above. It calculates the expected lifetime family benefit at each age combination for each strategy and identifies the age combination and strategy that provides the highest expected family benefit. The optimal age combination and election strategy is then outlined for your consideration.

The Retirement Earnings Test

How does work affect Social Security?

You are able to work and receive Social Security retirement, spousal, or survivor's benefits. However, you may be subject to a reduction in benefits if you haven't attained full retirement age.

The Social Security Administration will withhold benefits during the year in which you work assuming that you provide an estimate to the Social Security office about your expected earnings. If you do not report estimated earnings, the SSA will withhold your monthly payments in the following year until all benefits that should have been withheld are paid in full.

How much of my benefit will be withheld?

In 2015, you are allowed to earn up to \$15,720 before benefits are withheld. For every \$2 you earn above the exempt amount, \$1 dollar will be withheld. This applies to all years leading up to the year in which you attain your full retirement age. During the year you attain full retirement age the exempt amount increases to \$41,880 and for every \$3 you earn over the exempt amount \$1 will be withheld.

Even though your benefits are withheld they are not completely lost. Once you reach full retirement age, your benefits will be increased to account for the number of months that you did not receive a benefit. For example, if your full retirement age is 66 and you filed for benefits at 62 you received a reduction in benefits for taking benefits 48 months early. If 12 payments are withheld due to the earnings test, your benefits will be adjusted at your full retirement age and it will be as if you elected at age 63, or 36 months early.

What is considered income?

If you are employed by someone else only wages are considered earned income for the purpose of the annual earnings test. For people who are self-employed only net earnings count. It is important to note that employee contributions to pension or retirement plans are included in gross wages.

Income that is not counted as earnings include:

- Government benefits,
- Investment earnings,
- Interest,
- Pensions,
- Annuities; and
- Capital gains

Special Rule

For people who file for benefits mid-year and have already earned more than the exempt amount, the monthly earnings test is used. For any month during that first year that you earn under the monthly exempt amount, which is simply 1/12th of the annual exempt amount, you will receive your full benefit for that month, regardless of your earnings before you filed for benefits.

Disclosures

This report is intended as a diagnostic tool to suggest potential election options that may be beneficial. The election options considered may not be exhaustive. While substantial effort has been taken to ensure the accuracy of all calculations, we provide no guarantees. Further, this report can not anticipate future changes to the Social Security System, formulae, or claiming rules.

This report specifically excludes the following situations:

1. This report does not account for disability years. If you have years in which you received Social Security Disability benefits, the result will be inaccurate.
2. This report may incorporate Social Security's Annual Earnings Test. It does not incorporate the Monthly Earnings Test.
3. This report does not incorporate children's benefits, dependent parent's benefits, or the family maximum calculation.
4. This report assumes that the surviving spouse will begin receiving the higher of his or her own benefit, or the deceased spouse's benefit at the time of the first death. Further, the calculation does not assume election of widow's benefits prior to age 70. As a result, if the date of death for either spouse is prior to the survivor's age 70, the results will be inaccurate.
5. This report does not treat Railroad or Military earnings separately. Workers who have 10+ years of Railroad earnings, or certain military service may experience inaccurate results.
6. We assume "Fully Insured" status. If you have not reached fully insured status for retirement benefits, the results will be inaccurate.

Election options also must be coordinated with your other retirement planning. The contents of this report when judged in the context of your overall financial plan may not be optimal for your circumstances, as it may cause unacceptable trade-offs with your other investment assets. Please seek the advice of your own tax, financial, and legal advisors before implementing any strategies contained in this report.

In this report, life expectancy assumptions may be manually entered, or based on Social Security mortality tables, available at www.ssa.gov/OACT/STATS/table4c6.html. Report contents and calculations provided by Social Security Timing.

Nationwide's Social Security 360 AnalyzerSM is provided for informational purposes only. You should work closely with your financial professional to develop a plan that incorporates your specific objectives. The information provided is based on current laws, which are subject to change at any time. The tool and its reports have not been reviewed or endorsed by any government agency.

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