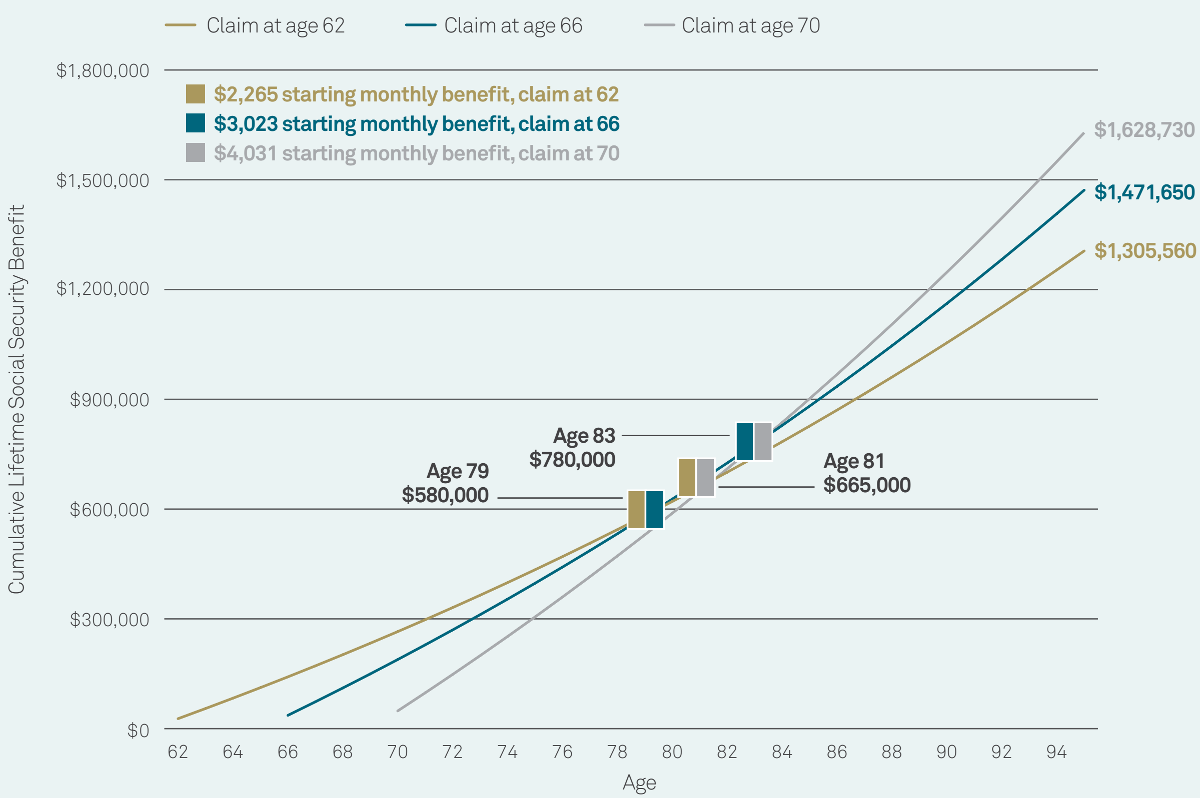
Social Security Break-Even

SET A SOLID FOUNDATION: SOCIAL SECURITY REMAINS AN IMPORTANT INCOME SOURCE

Earning

Social Security break-even analysis: It may pay to delay



Source: Calculated using Social Security Administration calculator, assuming maximum benefits for individuals who turn 62 in 2020. Once claiming begins, payments inflated by 2% annually. Actual Social Security cost of living adjustments (COLA) will vary. The calculator is updated annually and amounts determined change accordingly. For illustrative purposes only.

Why Should You Care?

Sometimes underappreciated, Social Security forms the "foundation" of the retirement income plan. Use it to pay for some of your essential spending in retirement.

Claiming too soon reduces lifetime benefits which must be replaced with additional saving, investing and/or insurance.

What's the Good News?

- Don't let the hype ruin your plan — if you have paid in, you can collect retirement benefits.
- Different claiming options are possible to maximize your lifetime benefit. Spouses may be able to collect benefits based on the higher earner.
- While not total inflation protection, payments to retirees are adjusted annually to the Consumer Price Index (CPI).*

Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.

BNY MELLON
INVESTMENT MANAGEMENT

Earnings Test

When you claim Social Security benefits before reaching full retirement age (FRA) and continue working and earn above a certain threshold, you are subject to the retirement earnings test (RET). The RET reduces Social Security benefits before you reach FRA, and then increases benefits for the remainder of your life when you reach FRA. Benefits withheld while you continue to work are not lost; they are added to your monthly benefit once you reach FRA.

For more information, go to www.ssa.gov/oact/cola/rtea.html

Take Action!

☑ Maximize it

To fund *Your* 30: Assuming you are healthy, focus on the long term and consider delaying Social Security payments to get a fixed 8% annual benefit increase until age 70.

- If single, consider delaying as long as possible.
- If married, the higher-earning spouse may want to delay.

☑ Consider investing more aggressively

Re-evaluate your asset allocation, since Social Security is like a fixed income investment.

☑ Add more "quarters"

If you keep working or are in "reHirement", keep paying in and increasing your benefit. (Some of your Social Security may be taxed if you are working and receiving benefits.)

It's *Your* 30

Because many investors may spend around 30 years in retirement, now is the time for you and your financial professional to plan for your future. This will be the time when pressures and responsibilities that once filled your days will diminish and you'll have more time to focus on you.**

We believe

To achieve the retirement you desire, first **determine your retirement goals** and then work with your financial advisor to **develop a financial plan.** Discuss the four interconnected financial behaviors — earning, spending, investing and insuring — because they will greatly impact your plan.

***Consumer Price Index (CPI)** — measures changes in the price level of a market basket of consumer goods and services purchased by households.

**The likelihood of any one individual experiencing a retirement horizon of 30+ years depends on a variety of factors including the age at retirement and health-related issues.

All investments involve risk, including the possible loss of principal. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

This material has been distributed for informational purposes only. It is educational in nature and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Views expressed are those of the author stated and do not reflect views of other managers or the firm overall. Views are current as of the date of this communication and subject to change. Forecasts, estimates and certain information contained herein are based upon proprietary research and are subject to change without notice. Certain information has been obtained from sources believed to be reliable, but not guaranteed. Information it is not individualized to the needs of any specific retirement investor, please consult a legal, tax or investment advisor in order to determine whether an investment product or service is appropriate for a particular situation.

Risks

Bonds are subject to interest-rate, credit, liquidity, call and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. **Equities** are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries.

BNY Mellon Investment Management is one of the world's leading investment management organizations and one of the top U.S. wealth managers, encompassing BNY Mellon's affiliated investment management firms, wealth management organization and global distribution companies. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. BNY Mellon Investment Advisor, Inc. and BNY Mellon Securities Corporation are companies of BNY Mellon. © 2020 **BNY Mellon Securities Corporation,** distributor, 240 Greenwich Street, 9th Floor, New York, NY 10286..

MARK-110660-2020-04-01
BNYMR-BCSSHO-0420

BNY MELLON | INVESTMENT MANAGEMENT