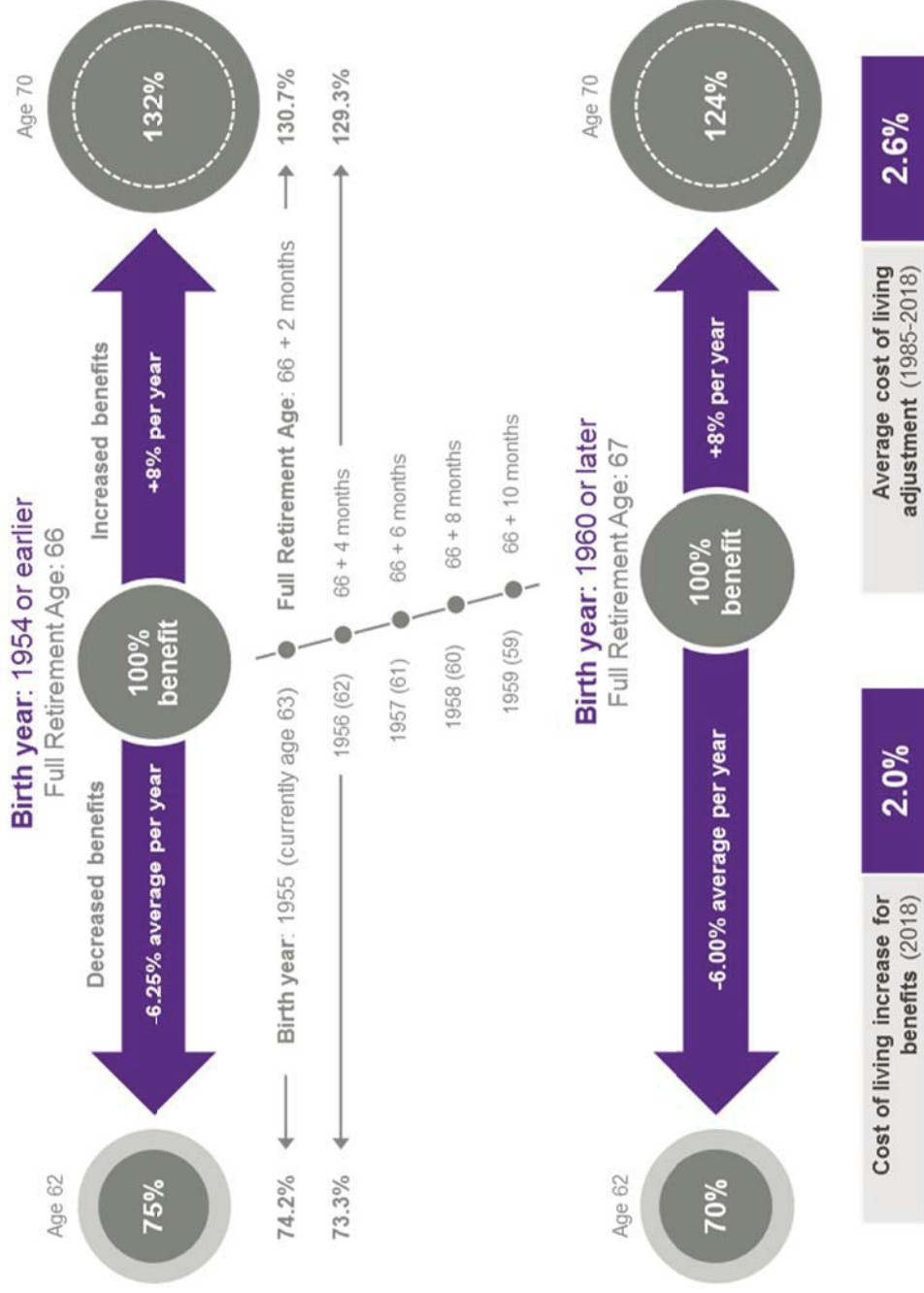


## Benefits differ by birth year and claim age

Full Retirement Age = 100% benefit



### UNDERSTAND THE TRADEOFFS

Deciding when to claim benefits will have a permanent impact on the benefit you receive. Claiming before your full retirement age can significantly reduce your benefit, while delaying increases it.

In 2017, full retirement age began transitioning from 66 to 67 by adding two months each year for six years. This makes claiming early even more of a benefit reduction.

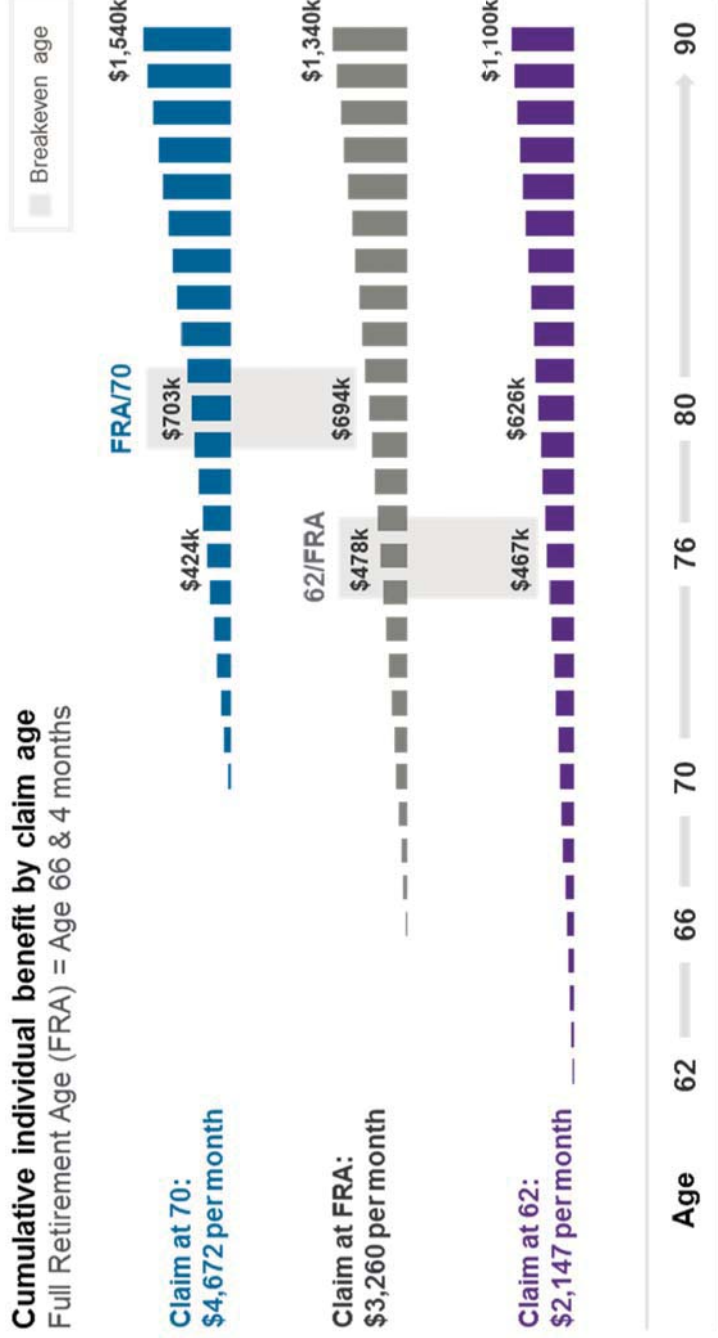
For illustrative purposes only. For those born in 1956 or earlier, there is a 7.3% compound growth rate for each year of waiting to take benefits; 7.4% for those born in 1957 or after. The Social Security Amendments Act of 1983 increased FRA from 65 to 67 over a 40-year period. The first phase of transition increased FRA from 65 to 66 for individuals turning 62 between 2000 and 2005. After an 11-year hiatus, the transition from 66 to 67 (2017-2022) will complete the move.

Source: Social Security Administration, J.P. Morgan Asset Management

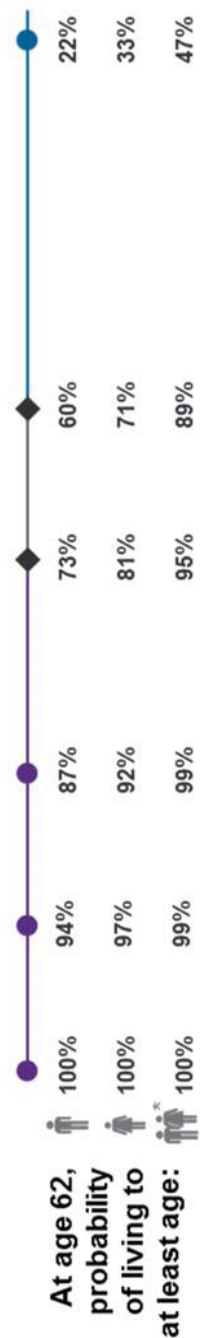
# Maximizing Social Security benefits

## Cumulative individual benefit by claim age

Full Retirement Age (FRA) = Age 66 & 4 months



**PLANNING OPPORTUNITY**  
 Delaying benefits means increased Social Security income later in life, but your portfolio may need to bridge the gap and provide income until delayed benefits are received.

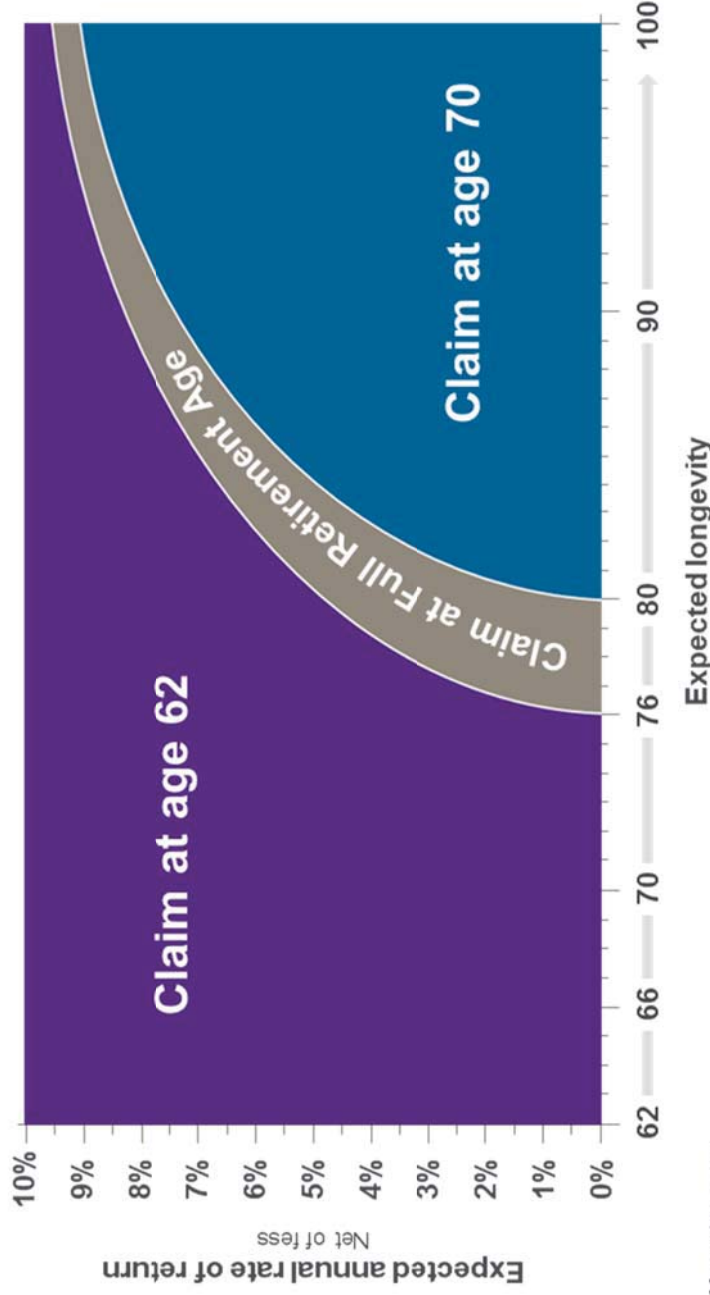


Source: Social Security Administration, J.P. Morgan Asset Management.

\*Couple assumes at least one lives to the specified age or beyond. Breakeven assumes the same individual, born in 1956, earns the maximum wage base, retires at the end of age 61 and claims at 62 & 1 month, 66 & 4 months and 70, respectively. Benefits are assumed to increase each year based on the Social Security Administration 2017 Trustee's Report "intermediate" estimates (annual benefit increase of 3.1% in 2019 and 2.6% thereafter). Monthly amounts without the cost of living adjustments (not shown on the chart) are: \$2,147 at age 62; \$2,928 at FRA; and \$3,787 at age 70. Exact breakeven ages are 76 & 3 months and 80 & 5 months.

# Social Security benefit claiming considerations

**Comparison of claim age based on an individual's expected rate of return and longevity**  
 Color represents the claim age with the highest expected lifetime benefits



**How to use:**

- Go to the intersection of your expected rate of return and your expected longevity.
- The color at this intersection represents the Social Security claim age that maximizes total Social Security benefits over the course of one's life – given the three options of age 62, Full Retirement Age (age 66 & 4 months) and age 70.
- Example: For an individual invested in a diversified 40/60 portfolio (expected rate of return of 5%) and average expected female longevity (age 86) = Claim at age 70.

Source (chart): Social Security Administration, J.P. Morgan Asset Management.  
 Source (longevity at age 62): Social Security Administration, Period Life Table, 2014 (published in 2017), J.P. Morgan Asset Management.  
 Source (expected returns): J.P. Morgan Asset Management Long-Term Capital Market Assumptions.  
 Assumes the same individual, born in 1956, retires at the end of age 61 and claims at 62 & 1 month, 66 & 4 months and 70, respectively. Benefits are assumed to increase each year based on the Social Security Administration 2017 Trustee's Report "intermediate" estimates (annual benefit increase of 3.1% in 2019 and 2.6% thereafter). Expected rate of return is deterministic, in nominal terms, and net of fees.

**CONSIDER PORTFOLIO RETURNS AND YOUR LIFE EXPECTANCY**

The lower your expected long-term investment return and the longer your life expectancy – the more it pays to wait to take your benefit.