

Social Security:  
Unlock Its  
Potential



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Our benchmark is the investor.\*

## SOCIAL SECURITY TRIVIA



# Miss Ida May Fuller

Contributed \$24.75 to Social Security

**Received \$22,888.92**

Source: *Historical Background And Development Of Social Security*, [www.ssa.gov/history](http://www.ssa.gov/history)

# The Three-Legged Stool of Retirement



Social  
Security

Pensions

Savings &  
Investments

## 2026 ESTIMATED AVERAGE MONTHLY SOCIAL SECURITY PAYMENTS<sup>1</sup>

Retired worker: **\$2,071**

Retired couple: **\$3,208**

<sup>1</sup>2026 Social Security Changes – COLA Fact Sheet 12/25  
Reflects average monthly payment at full retirement age.

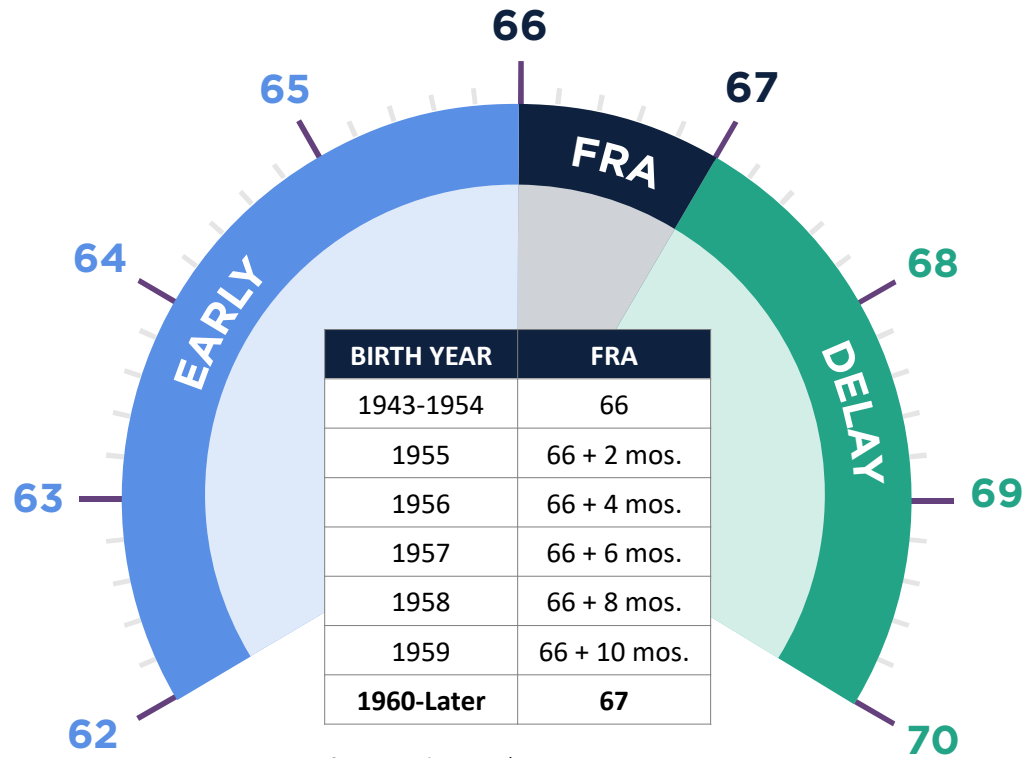
- Timing
- Work
- Taxes
- Awareness





## Timing

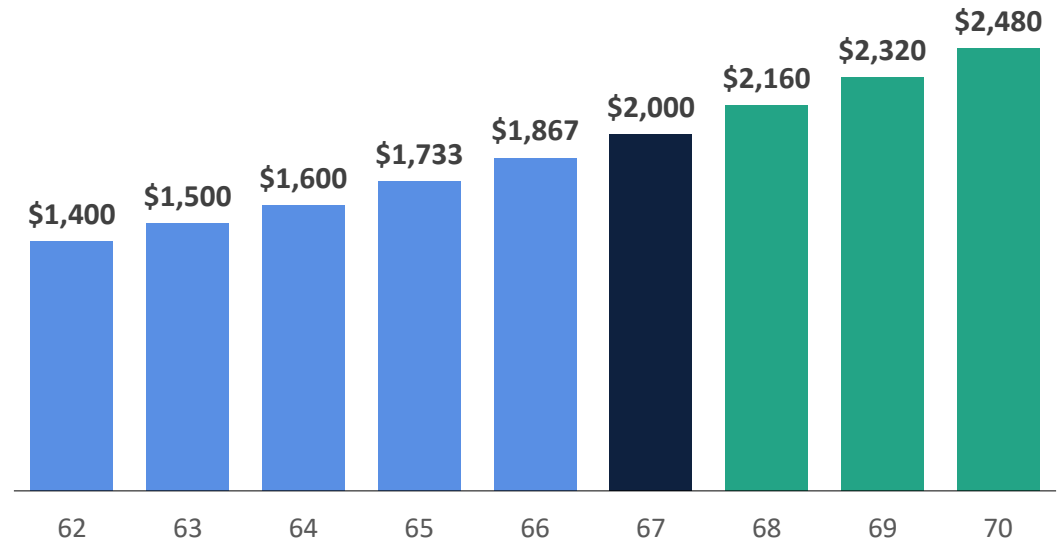
# What's Your Full Retirement Age (FRA)?



Source: Retirement Planner:  
Full Retirement Age, ssa.gov, 2025

# Early vs. Delayed Filing: How It Affects Your Social Security Benefit

Assumes a Monthly Benefit of \$2,000 at a Full Retirement Age (FRA) of 67<sup>1</sup>



<sup>1</sup>When to Start Receiving Retirement Benefits, [ssa.gov/pubs/EN-05-10147.pdf](https://ssa.gov/pubs/EN-05-10147.pdf), 2024

## What vs. When

How much income will you actually need?



Dollar amounts are hypothetical and for illustrative purposes only.



Work

## How Will Working Impact My Benefit?<sup>1</sup>

**Before FRA**      BENEFIT REDUCED      **\$1**      FOR EVERY      **\$2**      ABOVE **\$24,480** IN EARNED INCOME

**In FRA Year**      BENEFIT REDUCED      **\$1**      FOR EVERY      **\$3**      ABOVE **\$65,160** IN EARNED INCOME

- After FRA**
- NO LIMIT ON EARNINGS
  - WITHHELD EARNINGS ARE RETURNED

<sup>1</sup>2026 Cost-of-Living Adjustment (COLA) Fact Sheet, 12/25



# The Effect of the Earnings Test When Filing Before FRA

<b>Work Earnings</b>		<b>Annual Limit</b>		<b>Over Limit By</b>
\$70,000	−	\$24,480	=	\$45,520

<b>Social Security Benefits</b>		<b>½ of Amount Over Limit</b>		<b>Amount of Benefit You'll Receive</b>
\$24,000 (\$2,000 monthly)	−	\$22,760	=	\$1,240 (\$103 monthly)

For illustrative purposes only. Your situation may be different.  
 Source: 2026 Cost-of-Living Adjustment (COLA) Fact Sheet, 12/25



# Taxes

## How Will My Social Security Benefits Be Taxed?

Benefits may be taxable based on combined income

$$\begin{array}{c} \text{Modified Adjusted Gross} \\ \text{Income}^* \\ + \\ \frac{1}{2} \text{ Social Security Benefits} \\ = \\ \text{Combined Income} \end{array}$$

\*Modified Adjusted Gross Income is also referred to as MAGI.

# How Will My Social Security Benefits Be Taxed?<sup>1</sup>

<b>If Combined Income is...</b>	Less than or equal to \$25,000 if you file as an individual (\$32,000 if married, filing jointly)	\$25,001 - \$34,000 (\$32,001 - \$44,000 if married, filing jointly)	\$34,001+ (\$44,001 if married, filing jointly)
<b>% of Social Security that's taxable</b>	Up to <b>0%</b>	Up to <b>50%</b>	Up to <b>85%</b>

<sup>1</sup>Is Social Security income taxable? Be sure you know how much you owe, [usatoday.com](https://www.usatoday.com), 12/25

## How the OBBBA Can Help Reduce Taxes On Benefits

Filing Status	Income Limit for Full Deduction <sup>1</sup>	Deduction Amount	Phase-Out Range
Single (65+)	Up to \$75,000	\$6,000	\$75,000- \$175,000
Married (65+)	Up to \$150,000	\$12,000	\$150,000- \$250,000

<sup>1</sup>Social Security tax breaks: What the 'Big Beautiful Bill' really means for 88% of retirees, USA Today, 7/8/25

## Possible Ways to Reduce Combined Income

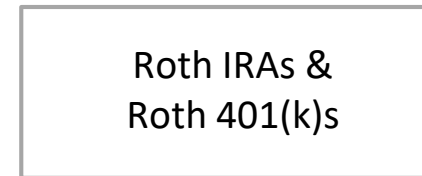
Modified Adjusted Gross Income\*



½ Social Security Benefits



Combined Income



\*Modified Adjusted Gross Income is also referred to as MAGI.



Awareness

## What Am I Entitled To?

### The greater of:

- Your individual benefit
- Your spousal benefit
- If your spouse dies, the survivor benefit



# Spousal Benefits: Eligibility & Calculation

## Married Individuals Can Claim Benefits Based On:

- Their own earnings record
- Their spouse's earnings record

## If Claiming On A Spouse's Earnings Record:

- The maximum spousal benefit is 50% of the higher-earning spouse's Social Security benefit
- The spousal benefit cannot be claimed until the higher-earning spouse files for benefits
- Spousal benefits will be reduced if the lower-earning spouse files before their own FRA\*

\*Lower-earning spouse must be at least age 62 to claim spousal benefits.  
Source: Do You Qualify for Social Security Spouse's Benefits?, [blog.ssa.gov](https://blog.ssa.gov), 7/24

# Individual Benefit vs. Spousal Benefit

## Benefits at FRA:

John: \$4,000



Angela: \$1,500



## Angela is entitled to the greater of:

Up to 50% of John's benefit



Her own benefit



Source: Retirement Benefits, [ssa.gov/pubs/EN-05-10035.pdf](https://ssa.gov/pubs/EN-05-10035.pdf), 4/25

# Survivor Benefit

**Benefits five years later:**

**John: \$5,072**

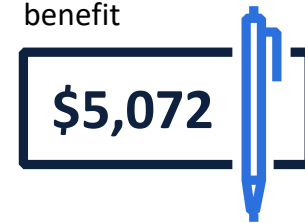


**Angela: \$2,536**



**If John passes away five years later, Angela is entitled to the survivor benefit:**

100% of John's benefit



**Note:** The benefit amounts shown on this slide are higher than those on the previous slide. This is because they each assume a COLA increase based on historical values.

Source: Retirement Benefits, [ssa.gov/pubs/EN-05-10035.pdf](https://ssa.gov/pubs/EN-05-10035.pdf), 4/25

Questions to  
ask *before*  
taking benefits:



When do I plan to stop working?



Do I need this income, or is it extra?



Will I have to pay taxes on my income?



How long will I live?

## Main Idea



To make the most of your  
Social Security benefits,  
consider all the factors.



## Summary

- Timing
- Work
- Taxes
- Awareness

## Next Steps

**1** Download your Social Security statement by logging into [ssa.gov/myaccount](https://ssa.gov/myaccount)

**2** Estimate what your monthly income needs will be in retirement

**3** Meet with your financial professional & tax professional to evaluate your overall portfolio and create an income plan

## DISCLOSURES

The preceding is not intended to be a recommendation or advice. This material should be regarded as educational information on Social Security and is not intended to provide specific advice. If you have questions regarding your particular situation, you should contact the Social Security Administration and/or your legal or tax advisors.

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