Transcript

Better conversations. Better outcomes.

Episode 62 – To claim or not to claim? The Social Security question.

Brian Doherty - The Social Security claiming decision is going to be one of the most important financial decisions, retirement decisions in the financial advisors client's lifetime and they really need to help their clients make that decision. A financial advisors are doing any kind of retirement income planning, they have to start with the Social Security claiming decision because it'll make the whole retirement income planning process so much smoother, so much easier. And they will position their clients to have a much more financially comfortable and less stressful retirement.

Ben Jones - Welcome to *Better conversations. Better outcomes*. presented by BMO Global Asset Management. I'm Ben Jones.

Emily Larsen - And I'm Emily Larsen. In each episode, we'll explore topics relevant to today's trusted financial advisors, interviewing experts and investigating the world of wealth advising from every angle. We'll also provide you with actionable ideas designed to improve outcomes for advisors and their clients.

Ben Jones - To access the resources we discuss in today's show, or just to learn more about our guests, visit bmogam.com/betterconversations. Again, that's bmogam.com/betterconversations. Thanks for joining us.

Emily Larsen - Before we get started, one quick request. If you have enjoyed the show and found them a value, please take a moment to leave us a rating or review on iTunes. It would really mean a lot to us.

Disclosure - The views expressed here are those of the participants and not those of BMO Global Asset Management, its affiliates, or subsidiaries.

Ben Jones - Recently, I had the real life opportunity to work with one of my family members and their advisor on determining their Social Security strategy. Now, I've always thought I had a good understanding of the choices. But I was astonished at how complicated it actually was. I could only imagine how confusing this is for the average person. Social Security can be a confusing topic for individuals and many advisors too. While clients may come to you with a myriad of questions about how Social Security works, when to start claiming it -- it can be really difficult to keep up with all of the current changes to the system and options available to your clients.

Emily Larsen - That's why we're providing you with access to an expert on the topic who'll discuss the specifics of Social Security decisions. I tracked down Brian Doherty in Boston, Massachusetts. Brian is a 30-year veteran of the financial services industry and has trained thousands of advisors on how to overcome the challenges that clients have once they retire.

He's the author of *Getting Paid to Wait*, a book that teaches advisors and users alike on the benefits of Social Security and how to decide when to claim it. Brian has always been fascinated by retirement and spends a lot of time researching Social Security.

Brian Doherty - I'll be honest with you; in a lot of the research was some information about Social Security. And initially that was the part I skipped because I didn't think it was going to be that important when you're dealing with people that have money -- some of them a lot of money. But it kept coming up in the research I was reading, so I decided to read some of it. And from the moment I did, I was blown away by how Social Security worked. I had no idea how it worked. I had no idea it allows you to do the things it allows you to do or it has these great features to it. And at that time, I also realized that if I didn't know about it, hardly anybody did in terms of financial advisors or individuals. And it wasn't on my bucket list to write a book, but that's when I came to the realization that I should write a book. I thought writing the book would take me about six to nine months. It actually took me four years.

Ben Jones - And it was not just any book, Brian's book won the international book award for Best Business Personal Finance Book in 2015. And Brian's been working to spread his Social Security gospel ever since.

Brian Doherty - I tell financial advisors that if they're doing any kind of retirement income planning, that they have to start with the Social Security claiming decision. If they help their clients make a better decision, they can make that whole planning process so much smoother and easier, and put their clients in a position to have a much more financially comfortable, less stressful retirement.

Emily Larsen - Can we take a step back for our listeners and just talk about who's eligible to receive Social Security and just cover some foundational stuff?

Brian Doherty - If you work, have a job where you pay those FICA taxes. The FICA taxes are the taxes that are used to fund Social Security. What Social Security will do is they'll look at your highest 35 wage earning years, and they have a formula, and based upon that they'll plug your earnings into that formula and that'll determine the benefit amount that going to get paid. Probably about 90% of the people that work in this country are qualified and going to receive Social Security benefits. I always tell them you're going to real happy that you are because it's going to make a big difference in the quality of your retirement. So that's basically how it works. A lot of people have a misperception about what their benefit is based on. Some pensions, maybe it's your last three to five highest years and the last five years that you worked. They're concerned about, if I get in my 60s and I work part-time, will that bring down my benefit payment? The answer is no because they look at your highest 35 wage earning years. And if you do work part-time, your Social Security benefit can never go down. It can only go up. And if while you're working part-time, if that earnings from that year does not replace one of your previous 35 highest wage earning years, then it's not going to affect your benefit at all. But in some instances, some people leave the workforce for a while and they may not have 35 years of work years. And even if they work part-time and that part-time income would probably replace one of the zeros they might have -- let's say they only have 30 years of work experience, that means they have five years of zeros, zero earnings, but they're included in that calculation. So even working part-time -- if it replaces one of those zero years -- would actually increase your benefit.

Emily Larsen - You mentioned it can only go up. How does cost of living adjustments play into Social Security benefits?

Brian Doherty - Emily, I'm glad you asked that question. This is one thing that I talk about in my presentations and I put a whole chapter in the book on the cost of living adjustment feature, or COLA. I think it's a critical consideration for people, but hardly anybody thinks about it when they claim their benefits. In fact, a lot of people don't even know that it exists or how it works. But I call this our government's greatest gift. I worked in an industry where we had income products, and if you wanted to you could purchase an inflation rider, an inflation hedge, which would increase your income every year based on the particular rider that you chose. It might increase it by 1% or 2% or 3%. But it turns out that a lot of people chose not to take that inflation rider because it cost more money and they thought it was actually too expensive. Then I found out that Social Security gives everybody this COLA feature and it gives it to them for free. I call it one of our government's greatest gifts and for a lot of people it's going to be the only pay raise they get in retirement. And if it's the only pay raise they're going to get, they should try to make that as big as possible. But unfortunately, what a lot of people do is they lock into the lowest pay raise possible because they claim their benefits too early. And the concept is this, everybody gets the same COLA percentage increase. It doesn't matter when you claim. But if you apply that percentage to a bigger number, a bigger benefit number, it results in bigger dollar increases every year for the rest of your life. In the chart I have in the book, I compare claimant as early as possible, at age 62, to claiming as late as possible, at age 70. And if I assumed a full retirement age of 66, in that case that means that the benefit at age 70 is going to be 76% bigger than the benefit they would have received if they claimed at age 62. And then, I assumed the COLA increase of 3% over 20 years -- and I use 3% because that's the 50 to 75 year average for inflation. People give me a hard time because they say hey, the last 10 years, Brian, have you seen where inflations been? It's been a lot lower than that. Yeah, I know that. But everything usually reverts to the mean and the mean is 3%, and that's why I use that. When you apply that 3% to the benefit at age 70, it creates much bigger dollar increases every year. And the difference between the size of those two amounts, the benefit at age 62 and the benefit at age 70, after 20 years, the difference between those two amounts on a monthly basis has grown quite large and that's because you're applying the same percentage, but to that bigger number, that bigger benefit at age 70, and it grows so much bigger over time.

Ben Jones - Brian talks about the different strategies that you can suggest to clients based on a number of different factors. And take special note; he has an urgent call to action for a specific client type that you might serve in your practice.

Brian Doherty - The one strategy that it would be, I think, the most urgent call to action is if their clients are still qualified to use the restricted application claiming strategy. Back in November of 2015, the government passed a law, and what they did was they did away with the file and suspend strategy, which seemed to be very popular. Got a lot of press. A lot of financial advisors knew about it. And if you didn't use it by May 1st of 2016 it's gone forever. And as a result of that, I believe that the majority of financial advisors and individuals think all these creative strategies are gone. But that's not the case. The restricted application claiming strategy is still available to people born before January 2nd of 1954. And Emily, I do a lot of presentations on this, but I tell financial advisors when you leave the presentation today you've got to go back to your office, go through your book of business, all your clients that were born before January 2nd of 1954, you call them up and you ask them one question -- have you already claimed your Social Security benefits. If they say no, you say stop everything, come on in here. I've got to show you something that could pay up to an additional $70,000 before you're 70th birthday. They could earn anywhere from 10,000 to 70,000. I've done it for clients where sometimes it's 71 or $72,000 in additional income. And you don't have to live to be age 90, 95, or 100 to get it, you get it before your 70th birthday. And if you don't tell your clients about this and they are qualified to use it and how it works, they're probably not going to know. I've sat down with literally hundreds of clients and if they're qualified to use restricted application, every time they have no idea. They never heard of it. They're amazed at how much additional income it could create and their question to me was why didn't I know about this before? I said I don't know. They say why doesn't everybody know about it? I don't know. But you do. Everybody should know about it, especially if they're born before 54. Financial advisors should definitely call up those clients and make them aware that they're qualified to use it. If they come in and they show them how they can create this additional income, they're going to think the financial advisor walks on water because they're always incredibly appreciative whenever I do it for clients and they qualify to use restricted application.

Widows and widowers actually have the most flexibility when it comes to claiming their benefits. They can switch back between the survivor benefit and their own benefit, or their own benefit and the survivor benefit. So a widow or widower can claim a survivor benefit as early as age 60. But the amount of the survivor benefit will be discounted. They'll only receive 71 and a half percent of their survivor benefit they claim at 60. If they waited until their full retirement age, they'll get the full amount. Now the survivor benefit maxes out at their full retirement age, let's say it's age 66. So here's -- I'll give you both scenarios. They could claim their survivor benefit as early as age 60. They could collect those survivor benefit payments all the way up until age 70 because their own benefit, their regular benefit, continues to grow by 6% to 8% per year up to age 70. Once they hit their full retirement age, it grows by 8% per year after that up to age 70. So their own benefit continues to grow. So they could collect a survivor benefit as early as age 60, collect it over 10 years, and then switch to their maximum maxed out regular benefit at age 70. And over that period of time, I've done this for mainly widows, that survivor benefit generates an incredible amount of money. You could be talking 150 to $200,000 over that 10-year period. And it makes it easier for them to maximize their benefits. Now the other thing that they could do, let's say you have a widow who had a very small benefit. It's was only going to be $300 or $400, but the survivor benefit is going to be $2,400. What they could do in that particular case is they could claim their own benefit as early as age 62, get that income coming in and then collect that for the next four years. And then at age 66, when the survivor benefit is maxed out, they switch to the survivor benefit. They actually have the most flexibility. Emily, I want to point out one thing about this because Social Security, they just reported, they did an internal audit of their customer service people and what they found -- I think the number was about 30,000 widows and widowers. I would think mostly widows, but because they didn't give them full information, they ended up losing out on $140M of additional Social Security income because they weren't telling them that if the survivor benefit they had them claim it first, that down the road, say at age 70, they would switch to their bigger work history benefit, their own benefit. They didn't tell them about that. And as a result of that, they ended up short-changing them by $140M, which I think Social Security should make that whole when it comes to that. If any other organization in the financial services business were to do that, that's exactly what the government would make them do. And then, they'd probably hit them with some pretty substantial fines. But they haven't said if they are going to come out and make them whole. So widows, especially, they are some of the most vulnerable people in the country. They have some of the highest poverty rates. They can least afford not to receive all the Social Security income they have coming. So they need to know about the options that they have and they're actually in the best position to maximize their benefits. We need to tell them. We need to make them aware of that.

Emily Larsen - So a few urgent calls to action that you could apply right away, after you've finished listening to the episode, reach out to all of your clients born before January 2nd of 1954. And if they haven't claimed yet talk to them about the restricted application claiming strategy. You could also identify clients who are widows or widowers and reach out to them to help them understand how they can maximize this survivor benefit. So what other questions should you ask of your clients to get this conversation started? Or better yet, what questions shouldn't you ask?

Brian Doherty - Here's what I recommend that you don't say to a client -- say have you thought about when you're going to claim your Social Security benefits? If you ask that question, they're probably going to tell you -- let's say it would be age 62 or 63. That age is in their mind and it's going to be hard for you to change it, especially if they verbalize it. I would ask them have you claimed you Social Security benefits yet. And if they say no. You say good, I want to show you a few things that you should be aware of before you actually claim your benefits. I found that a lot of financial advisors don't even know how to start that conversation. They're intimidated by it. They probably don't want to do that. And if they do it, they probably do it in the wrong way. And then once they start the conversation, they don't know what to say and they end up saying some of the wrong things. In fact, Financial Engines, a company, came out, they did a survey recently, and what they found is that 50% of all Social Security conversations between a financial advisor and a client are initiated by the client. These people are out there. They're clients of financial advisors. They are desperately seeking advice on Social Security and they don't know where to go to get it. And I think a lot of financial advisors are intimidated by the topic. So here's how you start the conversation - ask them if they've claimed their benefits. If they say no, great I want to show you a couple things before you do claim it that you should be aware of. One, the biggest one is everybody knows the longer you delay the bigger your benefit is going to be. But they don't know exactly by how much. This was actually some research that Social Security did itself that most people don't understand what a great deal it is if you delay claiming your benefits because you know you can claim as early as age 62 or wait as late as age 70. Why wait as late as age 70? Because that benefit at age 70 can be 76% bigger than the benefit amount at age 62. But the bottom line is for every year you delay after age 62; your benefit is guaranteed to increase by 6% to 8% per year over that eight-year period of time. Now I call that a risk free and guaranteed rate of return. And in this incredibly low interest rate environment, where are you going to get a risk free and guaranteed rate of return of 6% to 8%? And the other thing that I point out every time is that if you do delay, you don't walk into that 6% to 8% for 3 years or 5 years or 10 years, you walk into it for the rest of your life. I call that the best deal on the street. And if you position it that way, especially if you're talking to clients; they have money, they probably know what interest rates are, and they probably will realize what a great deal that is and they'll start thinking about delaying. The other thing I have them talk about is the COLA option, how that works. The same percentage but applied to a bigger number. For every married couple, they should talk about the survivor benefit and how that works. That's going to be critically important in the life, of a married woman especially, because 80% of all survivor benefit checks are sent out to women. Why? Because women live longer than men. And then I also talk about longevity and most people underestimate how long they're going to live. They don't understand the true definition of life expectancy. I talk about that briefly, and there's a second aspect to it that hardly anybody knows and that is the longer you live the farther out you push your life expectancy, and I've got this great chart that shows that if you're a 62 year old man or woman and you live that long, the man's life expectancy is pushed out to age 84, the woman's life expectancy is pushed out to age 86. And, there is a 50% probability that one of them live to age 90. That always surprises people. So I just want them to know hey, I'm not talking about living to be age 100. I just want them to know that they'll probably live into their mid 80s and if they realize that they're in a better position, I think, to make a better Social Security claiming decision. But those are the four things I think advisors should talk about -- longevity, the fact that -- how much their payment is going to go up 6% to 8% per year, COLA -- how that works, how you can lock in the biggest pay raises every year, and then the survivor benefit. And if they do all those things, they'll get the client thinking about maybe I should delay, and I think that's a good thing.

Emily Larsen - You know, having the advisor ask that question, have you claimed Social Security yet? What if their answer is yes? Is there a redo or how does the conversation go after that?

Brian Doherty - Well, yeah, there could be a redo, and there's two ways that could happen. If they have claimed their benefits but haven't been receiving them for a year, haven't got 12 months' worth of payments yet, they could actually pay back all the benefits that they've received and it will be as if they haven't claimed. The other thing that they could do, let's say it's been more than a year but they claimed at 62 and now they're 64 years old and they've been receiving benefits for two years. Well, they can't do the pay back. What they can is when they hit their full retirement age; let's say their full retirement age is age 66. When they hit their full retirement age, they can suspend their benefits, okay. They're not going to receive a check, but for every year they suspend after age 66 their benefit is guaranteed to increase by 8% per year up until age 70. At the very least, four years later, their benefit amount is going to be 32% bigger. Emily, if you have any kind of marginal rates of inflation, 1.5% to 2%, their benefit amount is probably going to be 40% to 50% bigger at age 70 and then they turn it back on. They could do that as well. Hardly anybody knows that you can suspend your benefit at your full retirement age and get what they call delayed retirement credits at 8% increase per year up to age 70.

Ben Jones - Brian is a big believer in the benefits of delaying Social Security as long as possible. But many clients might ask you about the financial health of the Social Security system. Even more, some younger clients might even talk about not getting any because they don't believe that it will exist when they're ready to retire. Here's what Brian had to say about that.

Brian Doherty - One of the biggest misunderstandings is a lot of people think that Social Security isn't going to be around that much longer, that it's in a lot of financial trouble. I think that may be the number one reason they use for claiming early, that I want to get my money out before they severely cut benefits or just completely goes bankrupt. The Social Security trustees, the trustees of the Social Security Administration, they're usually really smart people. Some college professors and math geniuses. Every year they tell you exactly what needs to be done to shore up the system for the next 75 to 100 years with no benefit cuts. They'll also give you the worst case scenario, if the politicians don't do anything to fix the system. That's what I talk about in the book. Let's take a look at the worst case scenario first. The worst case is if they don't do anything to fix the system, the in the year 2034 they'll have to decrease everybody's benefits by 25%. So everybody will get 75% of what they thought they we're going to get. But once they do this, and this is a very important point, Social Security is on sound financial footing and can meet all its obligations through the year 2090, or almost into the next century. When I tell people this, even young people. I tell young people in their 20s and 30s, sometimes I meet them, hey, what do you do, I say I wrote a book on Social Security. They're like oh, I should get that book for my parents but not for me, because it isn't going to be around when I retire. I told them oh, yes it will, and you know what, you're going to be real happy it is, because it's going to be really comforting to you knowing that you get this income for the rest of your life. That's the worst case that they'll have to cut benefits in 2034 by 25%. There's some other things that the government can do to fix the system for the next 75 to 100 years with no benefit cuts. I worked with an ex head actuary of Social Security, and based upon the trustees report we crunched some numbers, and here's what -- I wrote a blog about it. I said the FICA taxes that we pay right now, they total 6.2%. If you just raised the FICA taxes by 80 basis points, up to 7%, less than 1%, that would resolve about 60% of the long-term funding issue. If that's all you did, remember that date 2034 where you'd have to cut everybody's benefits? We'd push that date out to 2052. Another 18 years. If you married on top of that the earnings cap, once -- the earnings cap is about $128,000. Once you earn over $128,000 they stop taking out the FICA taxes. Now, there's only 6% of all wage earners in this country who have earnings exceeding $128,000. So 94% of people pay taxes on all their earnings, 6% don't. If you were to increase that earnings cap up to $350,000, that along with the 80 basis points FICA tax increase, you shore up the Social Security system for the next 75 to 100 years with no benefit cuts. Now, I do this -- I talk about this in front of financial advisors, and I see the looks on their faces, they're like Brian, we don't want to pay all those additional taxes. I say you know what, neither do I, but here's the thing. You're not going to like it while you're paying the taxes, but when you go to retire you're going to like it. You're going to like it a lot, because your Social Security benefit is going to be so much bigger. One of the reasons they put the earnings cap in is because they didn't want people to earn $125,000, $150,000, $200,000 in Social Security income. I say let them earn that income if it shores up the system for the next 75 to 100 years. It's worth it. That's fairly straightforward simple math, and they could do that tomorrow, if they want to. For the life of me I don't know why they just don't do it.

Emily Larsen - Can you talk about how the current demographics of our country compared to when Social Security was originally created, which is why we're in this situation today?

Brian Doherty - Yeah, there's a lot more people in retirement. In the 40s when the system first started they paid the first check out in 1940, there weren't that many retirees, and you had all the workers out there -- it was easy to support and generate the benefits, but as more and more people retire -- I think 60M people get Social Security checks every month now. That's a lot of people receiving Social Security, and the number of workers -- worker per Social Security recipient continues to dwindle. The numbers are the numbers, and the actuaries will go through it, and what I just laid out, those are the numbers and the math is fairly simple. They can shore up the system for the next 75 to 100 years if they want to. Eventually they will, and what I've put in the book -- I talk about Social Security being the greatest anti-poverty program in the history of this country. Emily, and I bring this up in my presentations too, if you go back to 1959 when they first started keeping statistics on poverty, here's an amazing stat. 35% of all people over the age of 65 in this country, in the United States of America in 1959, lived below the poverty line. 35%. That figure today has fallen to 9%. That's the lowest percentage for that age demographic in the history of this country. It's one of the lowest percentages for any age demographic in this country. Why? One reason, one reason only: Social Security. Experts say if you took away Social Security today, 45% of all people over the age of 65 would live below the poverty line. Nobody wants to see that. I don't care if you're Democrat, Republican, liberal, conservative, you don't want -- nobody wants to see that. The politicians know this, and I think when they have to, when push comes to shove, they're going to get around resolving these issues. I don't think there's going to be severe benefit cuts, because if you do that you're going to push more and more of these people over the age of 65 below the poverty ranks, and I don't think they want to see that happen. Social Security has been an incredible program, and I think when the politicians have to, they'll get around to fixing it.

Emily Larsen - Brian and I also talked about the different options you can discuss with your clients regarding spousal benefits, survivor benefits, and how couples who are divorced can still receive benefits.

Brian Doherty - Conventional wisdom says that if you're in poor health in your early 60s, well then claim right away. I think that's good advice for single people, single divorced people or single widow or widowers, but I don't necessarily think that's good advice for a married couple, especially if the spouse with the bigger benefit is the one that's in poor health. I also, I wrote an article that it's probably more important for that spouse, even though they're in poor health, to still delay as long as they can, so that if they were say delaying until age 70 and they died at age 68, okay, they end up getting nothing. But their surviving spouse, which is usually the wife, she's going to benefit a great deal because the surviving spouse is going to get a survivor benefit that will be equal to the amount the deceased spouse would have earned at the time of their death. Let's say they died at age 68, that benefit amount is going to be probably 50% to 60% bigger than the amount he would have left his wife if he died at age 62. She still has a very high probability of living 20, 25 or 30 years in retirement. In fact in that case, it's probably more important for that spouse to delay because the surviving spouse is probably still going to live a long time, and that survivor benefit is going to be critically important in her life to maintain her quality of life and standard of living. Spousal benefit is again, another incredible option that Social Security provides for married couples. To give you like the really stark example, let's say you had -- let's say the wife was the breadwinner in the family, and she's going to receive a Social Security benefit at full retirement age. We'll assume that's age 66 at $2,000 a month. Let's say the husband never worked a day in his life. He's not going to receive any Social Security benefit at all based on his work history. But he's still going to receive a benefit because he can claim a spousal benefit. Let's say the wife does claim her benefit at age 66 and she gets the $2,000. Let's say husband and wife are the same age. The husband, once the wife claims; now he can claim a spousal benefit and he's entitled to receive up to 50% of her full retirement age benefit. In this case, that would be $1,000. It doesn't affect the wife's benefit, she still receives the 2,000, he receives an additional $1,000 a month in the form of a spousal benefit. Now their combined income is $3,000, and he never worked a day in his life. This comes into play a lot, especially in married and divorced spouses, but if one spouse hasn't worked a great deal, has a small benefit, then they're going to benefit more from claiming a spousal benefit, which will give them up to 50% of the other spouse's benefit amount, which is just an incredible feature from Social Security. A lot of people aren't aware of it, but that's the way it works.

Emily Larsen - We haven't really discussed divorce on this episode. We talked a lot about divorce in other podcasts, but claiming Social Security benefits has never really been discussed in detail. Why might clients want to help their ex-spouse maximize Social Security?

Brian Doherty - One of the reasons is that if you want to help them maximize their own benefit, because that could end up eventually being the survivor benefit. You have husband and wife, they get divorced. 75% of the time the husband has the bigger benefit. That's the one you usually want to try to maximize. So if I were the ex-spouse, the wife, I might strongly encourage the husband to try to make that benefit as big as possible because overwhelmingly husbands, even ex-husbands, predecease their wives. In that case if the wife, the ex-spouse -- they can remarry if they wait until age 60 or older. They can still remarry and still get their survivor benefit based on their ex-spouse's benefit amount. So if the ex-spouse, the husband, predeceases her, she can switch to his benefit and receive 100% of it so that could end up really helping her down the road. Now, divorced spouses can also claim a spousal benefit and get up to 50% of their ex-spouse's benefit amount, and that would be very helpful if their benefit was fairly small and the spousal benefit, even though it's 50% of their ex-spouse's benefit were going to be bigger than their own benefit, obviously, it would be a good idea to do that.

Emily Larsen - Now there's some rules around that, right? Isn't it something to the effect of that the couple had to be married for 10 years?

Brian Doherty - Couple had to be married for 10 years, right, before they got the divorce. In order to claim the spousal benefit based on your ex-spouse's benefit amount, you can never remarry. If you do, you can't get the spousal benefit anymore. Like I said with the survivor benefit, you can remarry but only if you wait until you're age 60 or older to do that.

Ben Jones - Brian had so many insights on Social Security, we weren't even able to fit them all into this episode. I want to give you a recap of a few more that he mentioned.

1. Children of any couple who are taking a benefit can get a benefit until they're 18 years old.
2. Same sex couples can now get the same spousal and survivor benefits as other couples.
3. The Social Security Administration sometimes gives out misinformation. If the SSA tells a client that they can't do something that you told them they could, cite the laws and go back and try again.

Emily Larsen - Big thanks to Brian Doherty for freely sharing his knowledge on this topic. You can find links to Brian's books as well as his Social Security calculator on our Show Notes page at bmogam.com/betterconversations. We'll let Brian close the show by describing how clients feel when financial advisors proactively bring them ideas on Social Security claiming strategies.

Brian Doherty - I think for a client, if a financial advisor gives them advice and direction about claiming Social Security, they're going to -- I think they're going to feel great. I think they're going to look at their financial advisor differently, like they're a real authority, and giving Social Security claiming advice, the advisor doesn't make any money on that, I think the client knows that. I think the client would think my financial advisor really, really cares about me, makes me feel important, because it just helped me make my Social Security claiming decision. I know he doesn't get paid to do that. I've also found that they feel this incredible sense of maybe being indebted and loyal to that financial advisor, and I think it just strengthens that relationship, like he or she really does care about me. I think it's, for financial advisors, I think it's an incredible opportunity. If they're, again, looking to build -- you can service your existing clients, they'll love you for it, and if you want to build your business, I think this is one of the best ways to do it.

Ben Jones - Thanks for listening to *Better conversations. Better outcomes*. This podcast is presented by BMO Global Asset Management. To learn more about what BMO can do for you, visit us at www.bmogam.com/betterconversations.

Emily Larsen - We value listener feedback and would love to hear what you have thought about today's episode. Or, if you're willing to share your own experiences or insights related to today's topic, please e-mail us at betterconversations@bmo.com. Of course, the greatest compliment of all is if you tell your friends and coworkers to subscribe to the show. You can subscribe to our show on iTunes, Google Play, the Stitcher app, or your favorite podcast platform. Until next time, I'm Emily Larsen.

Ben Jones - And I'm Ben Jones. From all of us at BMO Global Asset Management, hoping you have a productive and wonderful week.

Emily Larsen - This show and resources are supported by a talented team of dedicated professionals at BMO, including Pat Bordak, Gayle Gipson, Matt Perry, and Derek Devereaux. This show is edited and produced by Jonah Geil-Neufeld and Annie Fassler of Puddle Creative.

complete analysis of every material fact regarding any company, industry, or security. This presentation may contain forward-looking statements. Investors are cautioned not to place undue reliance on such statements, as actual results could vary. This presentation is for general information purposes only and does not constitute investment advice and is not intended as an endorsement of any specific investment product or service. Individual investors should consult with an investment professional about their personal situation. Past performance is not indicative of future results. BMO Asset Management Corp is the investment advisor to the BMO funds. BMO Investment Distributors LLC is the distributor. Member FINRA/SIPC. BMO Asset Management Corp and BMO Investment Distributors are affiliated companies. Further information can be found at www.bmo.com.

C11: 7439474