



Social Security Explorer

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Disclaimer

This tool demonstrates options for receiving your Social Security benefits. The results shown are hypothetical based on the information you provided and are not a guarantee of future benefit values or investment results. Contact your financial professional or the Social Security Administration for more information.

Social Security Explorer helps you become better informed prior to filing for your Social Security retirement benefits. It is not intended to provide an exact analysis, but it will help you determine the strategy and age you want to start your benefits. You will be able to explore different starting age combinations as well as different strategies that may be available. There are over 2,000 rules that may be applied. Although you may file for your retirement benefits on-line, some of the strategies illustrated in this report may require you to file in person.

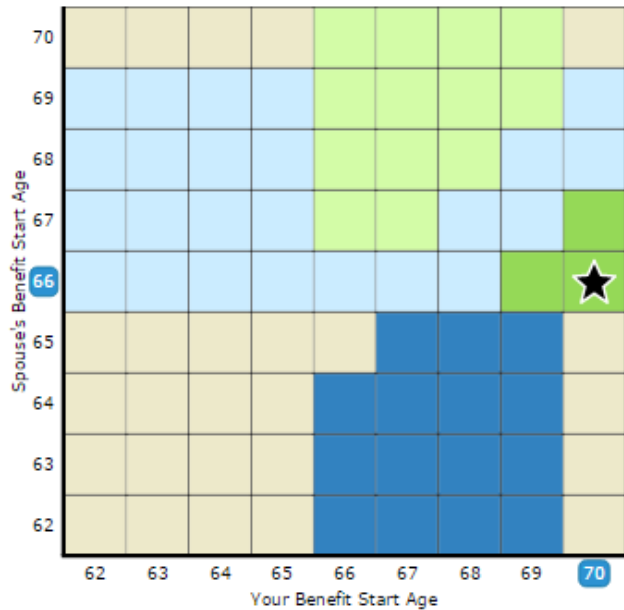
Social Security Explorer assumes that you stop work when you start your benefits. In some cases, your benefits will be reduced if you continue to work; however, any amounts withheld are repaid after you reach full retirement age. The cumulative benefits will be unchanged.

Your Social Security Administration office is an excellent source of any specific questions about your benefits. Their website can be extremely helpful. Social Security Explorer helps you frame your thoughts before filing. It shows strategies and age combinations that you might not have considered. It eliminates guessing or rules-of-thumb by calculating all possible combinations and illustrating the largest benefit.

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Best Strategy by Age - Optimal Ages

Scenario 1



	You	Spouse
Age	60	58
Monthly benefit at Full Retirement Age	\$2,500	\$1,800
Assume live to	85	90
Investment rate	5%	
Cost of living adjustment	2.5%	
Marital status	Married	

★ Ages for Maximum Benefits

You start benefits at age	70
Spouse starts benefits at age	66
Future Value of Benefits	\$3,666,009

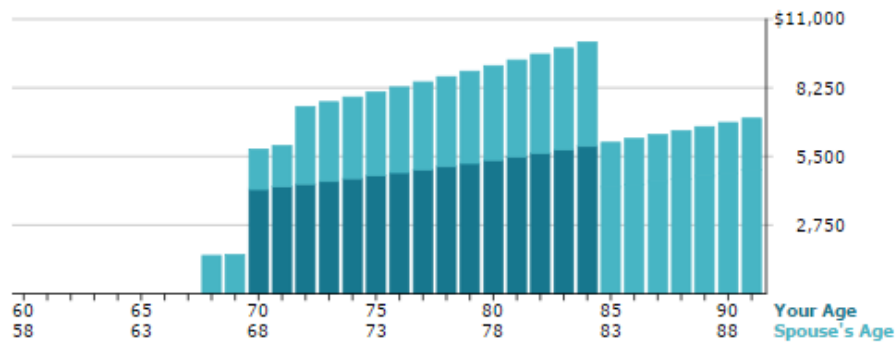
How to File

You Suspend, Spouse Files Restricted

- At your age 66 and 2 months (Full Retirement Age), you file for your Social Security benefits and immediately suspend payments
- At your age 70, you start your own Social Security benefits with delayed credits
- At your spouse's age 66 and 6 months, your spouse files a restricted application for spousal benefits
- At your spouse's age 70, your spouse files for his or her Social Security with delayed credits

Monthly Benefits by Year

Assumes annual Cost of Living adjustments



You Suspend, Spouse Files Restricted

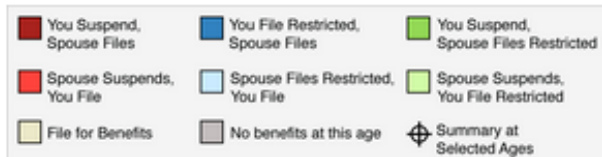
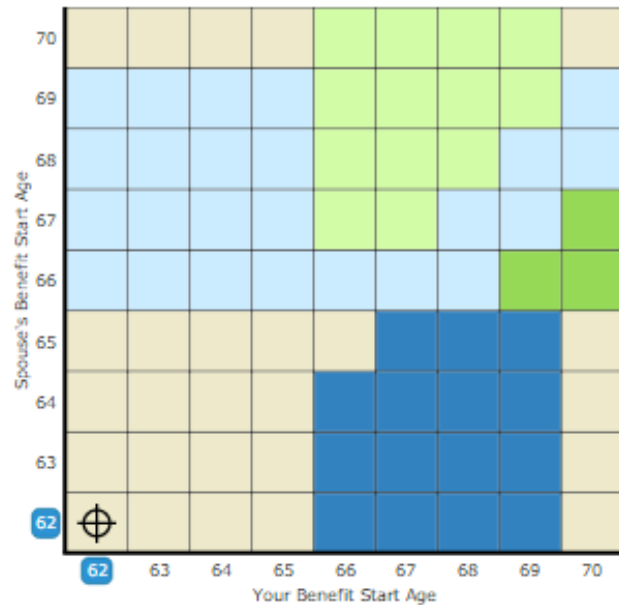
Scenario 1

	You	Spouse
Age	60	58
Social Security start age	70	66
Monthly Benefit at Full Retirement Age	\$2,500	\$1,800
Assume live to	85	90
Investment rate	5%	
Cost of living adjustment	2.5%	
Marital Status	Married	

Ages	Your Benefit	Spouse's Benefit	Total	Future Value of Benefits
60/58	0	0	0	0
61/59	0	0	0	0
62/60	0	0	0	0
63/61	0	0	0	0
64/62	0	0	0	0
65/63	0	0	0	0
66/64	0	0	0	0
67/65	0	0	0	0
68/66	0	9,138	9,138	9,138
69/67	0	18,733	18,733	28,328
70/68	50,181	19,201	69,382	99,126
71/69	51,435	19,681	71,116	175,199
72/70	52,721	37,183	89,904	273,863
73/71	54,039	38,113	92,152	379,708
74/72	55,390	39,066	94,456	493,149
75/73	56,775	40,043	96,818	614,625
76/74	58,194	41,044	99,238	744,594
77/75	59,649	42,070	101,719	883,542
78/76	61,140	43,121	104,261	1,031,981
79/77	62,669	44,199	106,868	1,190,448
80/78	64,235	45,304	109,539	1,359,509
81/79	65,841	46,437	112,278	1,539,762
82/80	67,487	47,598	115,085	1,731,836
83/81	69,175	48,788	117,963	1,936,390
84/82	70,904	50,008	120,912	2,154,122
85/83	0	72,676	72,676	2,334,504
86/84	0	74,493	74,493	2,525,722
87/85	0	76,356	76,356	2,728,364
88/86	0	78,265	78,265	2,943,047
89/87	0	80,221	80,221	3,170,421
90/88	0	82,227	82,227	3,411,169
91/89	0	84,282	84,282	3,666,009

Best Strategy by Age - Selected Ages

Scenario 2



Colors represent best strategy for an age combination

	You	Spouse
Age	60	58
Monthly benefit at Full Retirement Age	\$2,500	\$1,800
Assume live to	85	90
Investment rate	5%	
Cost of living adjustment	2.5%	
Marital status	Married	

Summary at Selected Ages

You start benefits at age	62
Spouse starts benefits at age	62
Future Value of Benefits	\$3,196,815

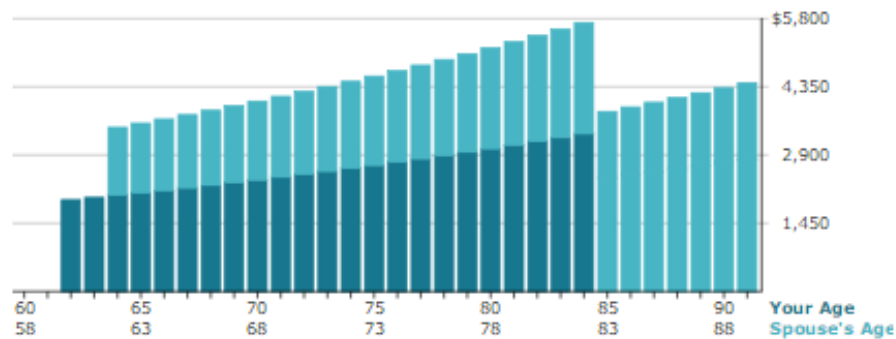
How to File

File for Benefits

- At your age 62, you file for your Social Security benefits
- At your spouse's age 62, your spouse files for his or her Social Security benefits

Monthly Benefits by Year

Assumes annual Cost of Living adjustments



	You	Spouse
Age	60	58
Social Security start age	62	62
Monthly Benefit at Full Retirement Age	\$2,500	\$1,800
Assume live to	85	90
Investment rate	5%	
Cost of living adjustment	2.5%	
Marital Status	Married	

Ages	Your Benefit	Spouse's Benefit	Total	Future Value of Benefits
60/58	0	0	0	0
61/59	0	0	0	0
62/60	23,376	0	23,376	23,376
63/61	23,961	0	23,961	48,506
64/62	24,560	17,286	41,846	92,777
65/63	25,174	17,718	42,892	140,308
66/64	25,803	18,161	43,964	191,287
67/65	26,448	18,615	45,063	245,915
68/66	27,109	19,080	46,189	304,399
69/67	27,787	19,557	47,344	366,963
70/68	28,482	20,046	48,528	433,840
71/69	29,194	20,547	49,741	505,273
72/70	29,924	21,061	50,985	581,521
73/71	30,672	21,587	52,259	662,856
74/72	31,439	22,127	53,566	749,565
75/73	32,225	22,680	54,905	841,948
76/74	33,030	23,247	56,277	940,323
77/75	33,856	23,829	57,685	1,045,024
78/76	34,702	24,424	59,126	1,156,401
79/77	35,570	25,035	60,605	1,274,826
80/78	36,459	25,661	62,120	1,400,687
81/79	37,371	26,302	63,673	1,534,395
82/80	38,305	26,960	65,265	1,676,380
83/81	39,263	27,634	66,897	1,827,096
84/82	40,244	28,325	68,569	1,987,019
85/83	0	45,885	45,885	2,132,255
86/84	0	47,032	47,032	2,285,900
87/85	0	48,208	48,208	2,448,403
88/86	0	49,413	49,413	2,620,236
89/87	0	50,649	50,649	2,801,897
90/88	0	51,915	51,915	2,993,907
91/89	0	53,213	53,213	3,196,815

Social Security Explorer Tool terminology and definitions

Marital Status

- **Married:** Currently married under federal definition of marriage. Applicable spousal benefits and survivor benefits have been included.
- **Widowed:** Currently not married under federal definition of marriage. Survivor benefits have been considered throughout the tool.
- **Divorced:** If you were married for at least 10 years before divorce, you may receive spousal benefits based on an ex-spouse's benefit. It does not have to be the most recent ex-spouse, but your marriage must have lasted ten years. You also must be unmarried, age 62 or older, and your own benefit must be less than the spousal benefit. Claiming this benefit will in no way affect your ex-spouse's benefits.
- **Single:** Currently not married under federal definition of marriage (or were married for less than 10 years before divorce). Benefits will only consider your earning record.

Monthly benefit at Full Retirement Age from your Social Security Statement

The monthly value on the printed Social Security statement or from the on-line statement is the monthly value shown in today's dollars. Social Security Explorer has automatically applied the cost-of-living adjustment for you.

Investment rate/Discount rate

An investment rate of return of 0% should be used if the plans are to use Social Security benefits for income needs, as there will be no funds to invest. If you wish to take the time value of money into consideration, select an investment rate/discount rate greater than 0%.

When an investment rate is not used, "Cumulative Lifetime Benefits" are shown; when an investment rate is shown, "Future Value of Benefits" reflects the growth of benefits received and invested.

If there is not an inherent need for Social Security benefits to provide income, an assumed rate of return other than 0% can be used to calculate investing the benefits instead of spending the benefit.

Please note that in order to provide a recommendation about the investment rate of a securities product, the financial professional must hold the proper securities registration and be currently affiliated with a broker/dealer or registered as an investment advisor.

Cost of Living Adjustment

Social Security Administration determines if a cost-of-living adjustment is made, and if so, how much. Typically, benefits have increased by 2.5% to 3.0% in the past. Using 0% will show basic benefits without any adjustments for inflation. More information can be found at www.socialsecurity.gov/cola.

Modified Adjusted Gross Income

Modified adjusted gross income (MAGI) is generally defined as all of your taxable income, plus certain net foreign income, minus allowed deductions. MAGI may include income such as taxable pensions, wages, interest, dividends, and other taxable income plus tax-exempt interest income (such as interest on municipal bonds) and any exclusion from income, such as interest from US savings bonds. See Internal Revenue Code 86b(2) or Internal Revenue Service Publication 915 for more information.

Government Pension Offset (GPO)

The GPO provision can affect individuals who have earned a pension from work not covered by Social Security (usually government employees), and is referred to as a Non-Covered Pension Amount. The GPO provision may reduce some or all of the spousal benefits you are otherwise entitled to receive. Social Security benefits will be reduced by two-thirds of the government pension. Also, the GPO does not reduce benefits based on your work record covered by Social Security. Social Security Explorer will estimate the GPO when a non-covered pension income is entered.

Windfall Elimination Provision (WEP)

Those individuals entitled to a monthly pension from work not covered by Social Security, but who also qualify for Social Security benefits through other work, may have their Social Security benefits reduced by WEP. The reduction in benefits, if any, is based on the years and earnings covered by Social Security. The maximum offset is no more than one-half the amount of the pension from work not covered by Social Security. Since each year worked up to starting retirement may affect benefits, the Social Security Administration does not include this reduction in your Social Security statement. It is calculated when you actually file for benefits. Social Security Explorer will estimate your WEP offset when a non-covered pension income is entered.

Best Strategy

Best Strategy is based on the largest total of all benefits (cumulative lifetime benefits).

Strategies to Maximize Benefits

Strategies to Maximize Benefits projects all possible calculations for the strategy selected.

- **Best Strategy by Age** shows the strategy with the highest projected cumulative lifetime benefits value, with or without an option to show future value at a selected investment.
- **Basic Benefit Calculation** indicates values for basic benefits, without any special filings. Calculations show annual projected benefits for you and your spouse (if any), the projected total, and the projected cumulative total for each year.
- **Comparison: Early vs. Late** displays the differences between early projected benefits at age 62, projected benefits at full retirement age (FRA), and projected benefits at delayed or late benefits at age 70.
- **Taxation of Social Security Benefits** will show how, if you have other income, a portion of Social Security benefits may be subject to income taxes. If you have income above certain thresholds, you may pay a federal income tax on 50% or up to 85% of your Social Security benefits. This is based on your Combined Income, which is your adjusted gross income, plus nontaxable interest, plus one-half of your Social Security benefits.
- **Optional Strategies**, similar to Basic Benefit options, indicates if any optional strategies were selected.

Financial professionals are able to provide information but not guidance or advice related to Social Security benefits. Clients should seek guidance from the Social Security Administration regarding their particular situation. Financial Professionals may be able to identify potential retirement income gaps and may introduce insurance products, like an annuity, as a potential solution. Social Security payout rates can and will change at the sole discretion of the Social Security Administration.

This material is designed to provide general information on the subjects covered. Pursuant to IRS Circular 230, it is not, however, intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market or recommend any tax plan or arrangement. Please note that the Allianz companies, their affiliates, representatives or employees do not give tax or legal advice. You are encouraged to consult your tax advisor or attorney concerning your own situation.

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