Secrets to Maximize: Retirement Income with Social Security, and Asset Protection with the Rockefeller Trust

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John and Mary Jones are both age 66 and have worked their whole lives. They got lucky with some private company stock and are worth $21 million. What are some of the strategies they could consider?

Maximize Social Security (SS) Retirement Benefits with the File and Suspend, Spousal, and Widow Survivor Benefit Strategies!

Age 66 is considered Full Retirement Age for their SS benefits and John would get $2,500 per month. However, he would get 32 percent more (or $3,300 monthly) if he waited until age 70. Mary would receive $800 monthly if she took SS at age 66 or $1,056 if she waited until age 70. To maximize joint SS income, John should File for SS at age 66, but Suspend taking it until age 70. Mary can use the Spousal Benefit and take half of his $2,500 at age 66, or $1,250 per month. She does this for 4 years until she turns 70. She decides to retire from her job at age 66. Let’s summarize what the couple has done:

- Mary gets $1,250 monthly for 48 months from age 66 to 70, a total of $60,000. She will continue to take this as long as John is alive.
- By waiting to take his SS until age 70, John gets $800 more each month. From age 70 until his death at age 85, this is $144,000 more. Just as importantly, he will provide the greatest Spousal Benefit possible for his wife Mary.
- If John dies at age 85, Mary must remember that she will get just one SS check, whichever is highest. She will then switch from her own Spousal Benefit SS check of $1,250 to his $3,300 check (now her Widow Survivor Benefit), or $2,050 more each month. If she dies at 95, this will be an extra $246,000 over the next 10 years.
- Note: No Cost of Living Adjustment (COLA) increases to SS benefits were considered in order to make this scenario easier to calculate.

They want to protect their two kids and 4 grandkids from divorce, lawsuits, and estate tax with the Rockefeller Trust.

If they were to both die in a car crash, they would owe about $4 million of estate tax. They decide to spend $80,000 annually for a guaranteed cash value life insurance policy with a second-to-die death benefit of $4 million. This policy will be held in the Rockefeller Trust, and so the $4 million will pay off the current estate tax and not be considered part of their taxable estate. Had they owned the life insurance policy personally or in their Revocable Living Trust, the $4 million would be part of their taxable estate and create another $1,600,000 of estate tax (40 percent rate currently in 2015).

They transfer most of their estate into the Rockefeller Trust. If their two kids each have 3 divorces, their spouses cannot get any of the assets in the Rockefeller Trust. If the four grandkids each have a bad lawsuit judgment, the creditors cannot get any of the assets. When the kids or grandkids die, there is no estate tax. They can even restrict the heirs to receive income only, so the principal remains intact. They have now bomb-proofed the family assets, just like the Rockefellers and Kennedys have.

Free Seminars: On Thurs. 6/18/15, 6:30-8:30 pm, ***"Secrets of the Rockefeller Trust"*** will be given, preceded by a light supper from 6-6:30 pm. On Sat. 6/20/15, 10-12 noon, ***"How to Maximize Your Social Security & Other Retirement Income"*** will be given, followed by a light lunch from 12-1 pm. Both seminars will be held at Keller Williams University, 2077 E. Warner Road, Suite 110, Tempe, AZ 85284. Please RSVP at (800) 955-1408.

Contact Dr. Wong for a private consultation at (480) 706-0177 or haroldwong1@yahoo.com. For future seminars, click on www.drharoldwong.com. For his archived research, click on www.DrWongInvestorGuide.com.