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# Financial *Focus*

*A Monthly Insight Into Your Finances*

*February 2017*



Language	Words	Pronunciation
English	I love you	i-luv-yoo
Czech	Miluji tě	me-loo-see-chay
French	Je t'aime	je-tem
German	Ich liebe dich	isch-leeba-disch
Greek	S'agapo	say-aga-po
Hebrew	Ani ohev otach	ani-oh-hev-oh-tak
Italian	Ti amo	tee-amo
Japanese	Aishiteru	ay-she-tay-ee-roo
Norwegian	Jeg elsker deg	ye-elsker-dye
Polish	Kocham Cię	kok-em-chay-oh
Russian	Ya tebya liubliu	ya-teb-ya-loo-bloo
Spanish	Te amo	tay-amo
Swedish	Jag älskar dig	ye-elsker-day

## Social Security Claiming Strategies for Married Couples <sup>1</sup>

Deciding when to begin receiving Social Security benefits is a major financial issue for anyone approaching retirement because the age at which you apply for benefits will affect the amount you'll receive. If you're married, this decision can be especially complicated because you and your spouse will need to plan together, taking into account the Social Security benefits you may each be entitled to. For example, married couples may qualify for retirement benefits based on their own earnings records, and/or for spousal benefits based on their spouse's earnings record. In addition, a surviving spouse may qualify for widow or widower's benefits based on what his or her spouse was receiving.

One claiming strategy that has been used to boost Social Security income was recently eliminated by new rules contained in the Bipartisan Budget Act of 2015. However, depending on your age, you may still have a limited window to take advantage of this strategy before the new rules take effect. It can be used in a variety of scenarios, but here's how they generally work.



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## Social Security Claiming Strategies for Married Couples <sup>1</sup>

### File for one benefit, then the other

To file a restricted application and claim only spousal benefits at age 66, you must have turned age 62 by January 2, 2016. At the time you file, your spouse must have already claimed Social Security retirement benefits or filed and suspended benefits. If you were born in 1954 or later, you will not be able to use this strategy because under the new rules, an individual who files a benefit application will be deemed to have filed for both worker and spousal benefits, and will receive whichever benefit is higher. He or she will no longer be able to file only for spousal benefits and will not be able to switch from one benefit to another at a later date.

A second strategy that can be used to increase household income for retirees is to have one spouse file a restricted application for spousal benefits at full retirement age, then switch to his or her own higher retirement benefit later. Once a spouse reaches full retirement age and is eligible for a spousal benefit based on his or her spouse's earnings record and a retirement benefit based on his or her own earnings record, he or she can choose to file a restricted application for spousal benefits, then delay applying for retirement benefits on his or her own earnings record (up until age 70) in order to earn delayed retirement credits. This may help to maximize survivor's income as well as retirement income, because the surviving spouse will be eligible for the greater of his or her own benefit or 100% of the spouse's benefit.

This strategy can be used in a variety of scenarios, but here's one hypothetical example that illustrates how it might be used when both spouses have substantial earnings but don't want to postpone applying for benefits altogether. Liz files for her Social Security retirement benefit of \$2,400 per month at age 66 (based on her own earnings record), but her husband Tim wants to wait until age 70 to file. At age 66 (his full retirement age) Tim applies for spousal benefits based on Liz's earnings record (Liz has already filed for benefits) and receives 50% of Liz's benefit amount (\$1,200 per month). He then delays applying for benefits based on his own earnings record (\$2,100 per month at full retirement age) so that he can earn delayed retirement credits. At age 70, Tim switches from collecting a spousal benefit to his own larger worker's retirement benefit of \$2,772 per month (32% higher than at age 66). This not only increases Liz and Tim's household income but also enables Liz to receive a larger survivor's benefit in the event of Tim's death.



### Brownie Batter Truffles<sub>3</sub>

Looking for a quick, easy sweet treat for your sweetheart?  
These truffles might be just the ticket!

**Total Time: 30 Minutes**

#### Ingredients (Yields: Approximately 18 Truffles)

1/3 cup semisweet chocolate chips  
2/3 cup all-purpose flour  
3 tablespoons unsweetened cocoa powder  
1/4 teaspoon baking powder  
Pinch fine salt  
1/2 cup granulated sugar  
6 tablespoons unsalted butter, at room temperature  
1/2 teaspoon nonalcoholic vanilla extract  
Confectioners' sugar or unsweetened cocoa powder, for rolling

#### Directions

Line a baking sheet with parchment paper. Melt the chocolate chips in a medium microwave-safe bowl in the microwave in 30-second increments, stirring in between, until melted and smooth, about 1 minute total. Whisk together the flour, cocoa powder, baking soda and salt in a medium bowl.

Add the granulated sugar, butter and vanilla to the melted chocolate, and beat with an electric mixer on medium-high speed until smooth. Add the flour mixture, and mix on low speed until well incorporated. (Turn off the mixer and use your hands to help combine if needed.)

Scoop tablespoonfuls of the batter, roll them into smooth balls and put them on the prepared baking sheet. Put the confectioners' sugar or cocoa powder on a plate. Before serving, roll the truffles in confectioners' sugar or cocoa powder to coat. (The truffles can be refrigerated in an airtight container for up to 5 days.)

## 6 Clever Ways to Save Money This Valentine's Day<sup>5</sup>

### 1. Keep It Kitschy

Bumper cars, arcades, laser tag — finding fun activities that you would've done as a teenager can bring out the kid in you. Mini golf and bumper bowling are one of the most fun ways to save money this Valentine's Day while sharing lots of laughs.

### 2. Rent Your Wardrobe

Online retailers like [Gwynnie Bee](#) provide monthly services where you can get designer outfits on loan. It's sort of like having a Netflix account for your wardrobe. Not only does this save you money on clothes you may or may not wear again, but you also have unlimited new date looks at your fingertips for the price of one pair of pants.

### 3. Cook Dinner

Staying in is always cheaper than going out. Couple that with a romantic meal and some dim lights and you've hit a home run. Everyone likes to be wooed — making someone feel special by preparing their favorite dish is a great way to score Valentine's Day points.

### 4. DIY Gifts

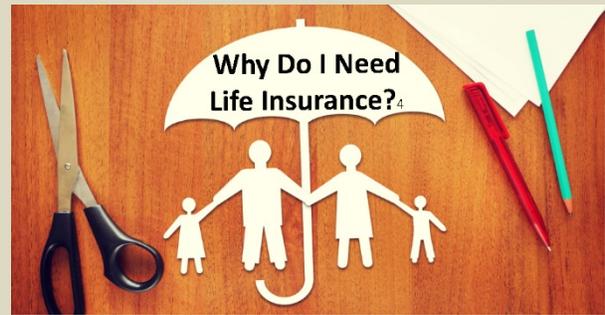
Instead of buying a super expensive piece of jewelry or something equally as wallet-busting, give a unique and personal token of your love. It can be a poem or a paint-it-yourself ceramic bowl, maybe a photo collage or short video you compiled of the two of you. Whatever you choose to design, your date will love the ingenuity and thought you put forth into them.

### 5. Origami

Let's face the facts — flowers die. Why give something to someone you care about that's only going to kick the bucket in a few days? Instead, learn how to origami flowers out of their favorite magazine or comic strip? Flowers are expected on Valentine's Day (in addition to your other DIY gift) so instead of showing up empty-handed, or broke from the Valentine's Day markup at the flower shop, give a bouquet that can stand the test of time and hopefully your relationship will too.

### 6. Groupon

If you don't know about Groupon you are missing an opportunity to save money on the activities and restaurants you already love and to be introduced to new haunts at a price you can't refuse. If you're like me you have an endless supply of Groupon and Living Social deals that you haven't cashed in yet so now's the time to take your deals to the bank. Even if they are expired you don't use the value paid to that merchant so you can still credit that Groupon towards your Valentine's Date and since it's all handled digitally, your lover never has to know that their romantic date was done on a discount.



Life insurance has several purposes. Its most important function is to replace the earnings that would cease at the death of the insured. For businesses, life insurance is a way to protect key employees and the business itself. A third purpose is to use life insurance to pay potential estate taxes.

If you die during your earning years, your family could suffer a severe economic loss as a result of losing your current and future income. Unfortunately, your family would still have to pay its regular bills, the mortgage, and outstanding debts, and perhaps even continue saving for college and retirement. Unless you're independently wealthy, achieving these goals may be virtually impossible for your family with the loss of your steady income. Life insurance offers a way for your family to continue living comfortably and without worry.

Employers often purchase life insurance policies on key employees to insure against the loss of services or income that might result after an employee's death. Here, the proceeds from the policy are paid to the company. Life insurance works for business partners too, where one business partner purchases a policy to insure against the financial loss that might result from the other partner's death or to buy out the partner's heirs.

Life insurance is also used to pay potential federal estate taxes. Since these taxes must be paid in cash, life insurance can be a good way to ensure the fulfillment of this obligation.

1. <https://www.foremostadvice.com/fmaweb/Advisor/PresentationCenterDetails.aspx?iplf=gb&cat=GovernmentBenefits>

2. [http://www.huffingtonpost.com/2015/02/13/how-to-say-i-love-you\\_n\\_6652608.html](http://www.huffingtonpost.com/2015/02/13/how-to-say-i-love-you_n_6652608.html)

3. <http://www.foodnetwork.com/recipes/food-network-kitchens/brownie-batter-truffles.html?oc=linkback>

4. <https://us.aka.com/aka-products/life-insurance/questions/why-do-i-need-life-insurance.html>

5. [http://www.huffingtonpost.com/damona-hoffman/save-money-valentines-day\\_b\\_4751895.html](http://www.huffingtonpost.com/damona-hoffman/save-money-valentines-day_b_4751895.html)

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– 365 days a year, 24 hours a day.

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**Upcoming Events**



**FREE SOCIAL SECURITY WORKSHOP**

**DATE:**  
Tuesday, March 14, 2017 –  
6:30-7:30pm

**LOCATION:**  
Sea Country Senior & Community  
Center  
24602 Aliso Creek Rd, Laguna Niguel,  
CA 92677