



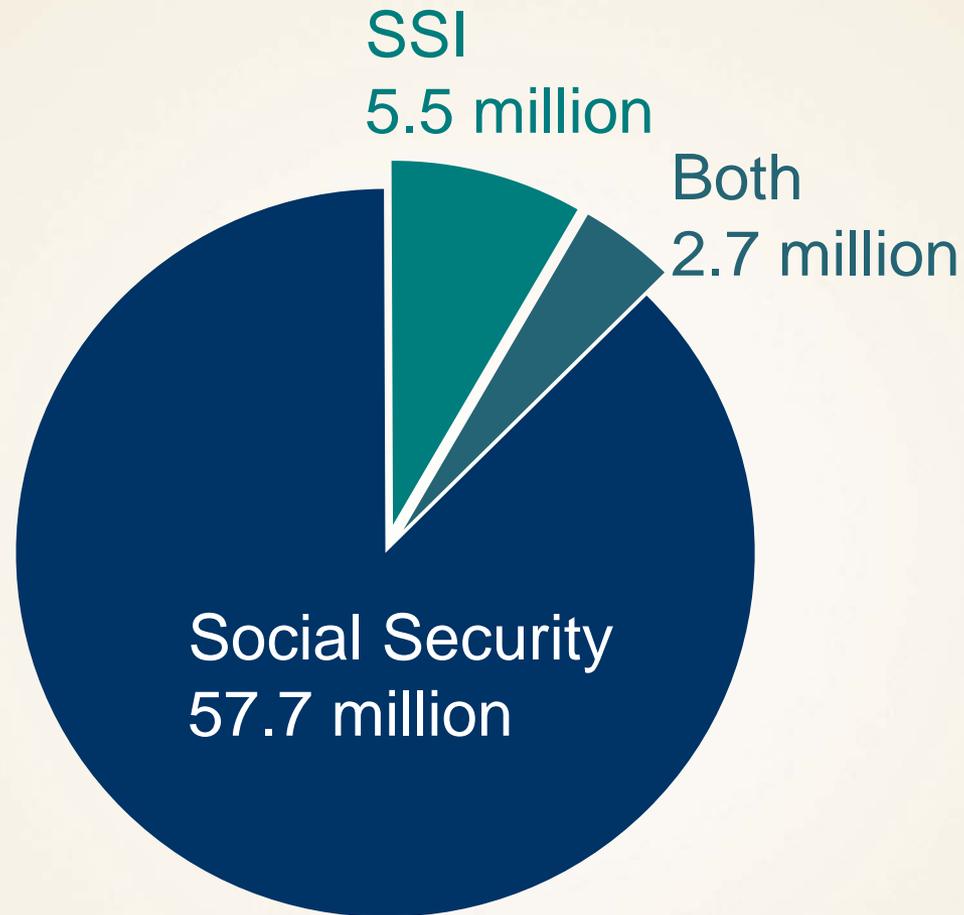
Social Security: With You Through Life's Journey...



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Social Security Beneficiaries



November 2016



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How Do You Qualify for Retirement Benefits?

- By earning “credits” when you work and pay Social Security taxes
- You need 40 credits (10 years of work) and you must be 62 or older
- Each \$1,360 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2019, you must earn at least \$5,440.00.

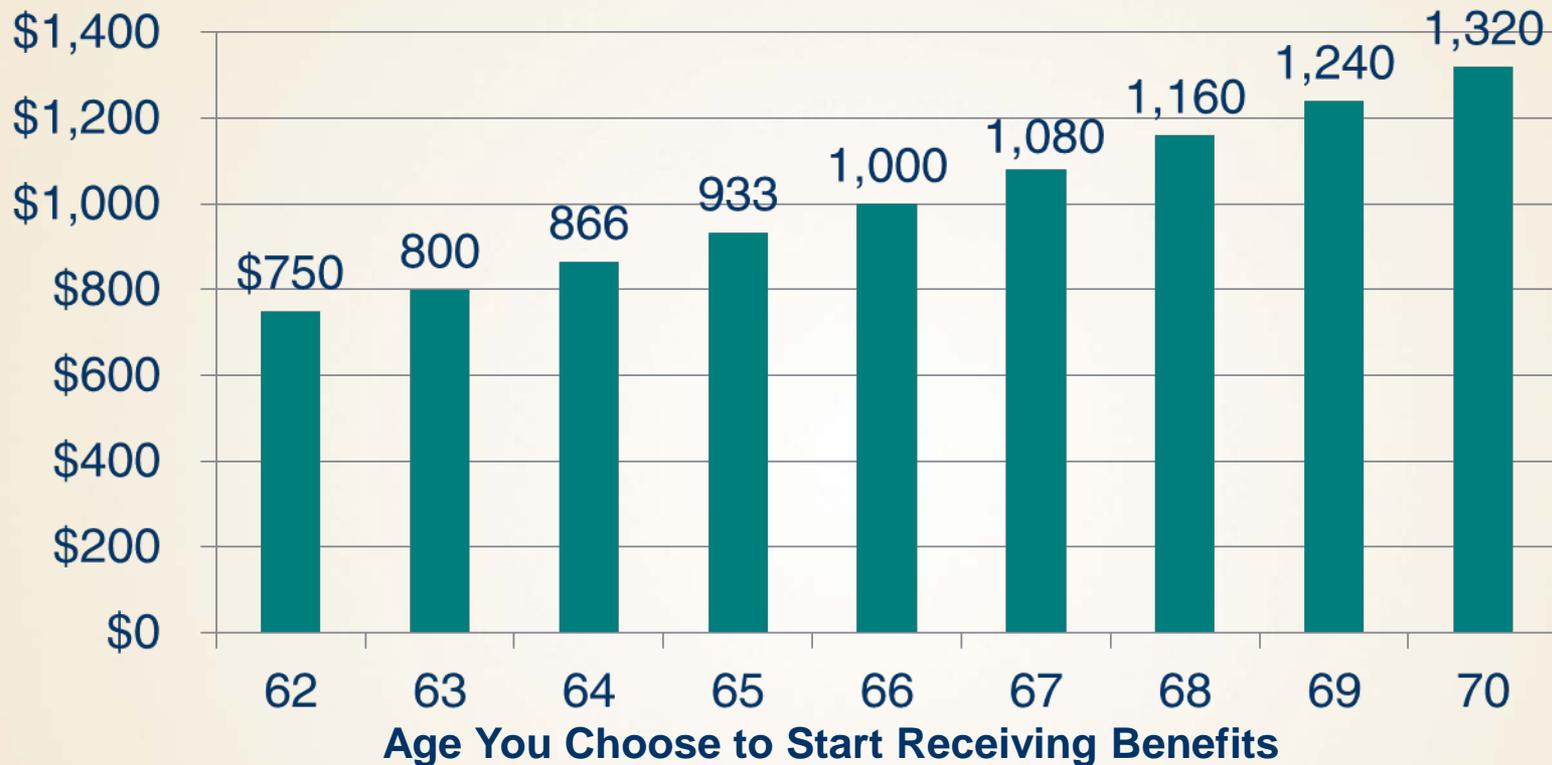


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What Is the Best Age to Retire?

Monthly Benefit Amounts Differ Based on the Age You Decide to Start Receiving Benefits



Note: This example assumes a benefit of \$1,000 at a full retirement age of 66



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Retirement Estimator

- Gives estimates based on your actual Social Security earnings record
- You can use the Retirement Estimator if:
 - You have enough Social Security credits at this time to qualify for benefits **and**
 - You are **not**:
 - Currently receiving benefits on your own Social Security record;
 - Waiting for a decision about your application for benefits or Medicare;
 - Age 62 or older and receiving benefits on another Social Security record;**or**
 - Eligible for a Pension Based on Work Not Covered By Social Security.

socialsecurity.gov/estimator



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Spousal Benefits

- Benefit is 50% of worker's unreduced benefit
- Reduction for early retirement
- If spouse's own benefit is less than 50% of the worker's, the benefits are combined
- Does not reduce payment to the worker



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Benefits for Divorced Spouses

If you are divorced, and your marriage lasted 10 years or longer, you can receive benefits on your ex-spouse's record (even if he or she has remarried) if:

- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is entitled to Social Security retirement or disability benefits; and
- The benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.



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Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	A \$500 spouse benefit taken at age 62 would be reduced by
1943-1954	66	25%	30%
1955	66 and 2 months	25.83%	30.83%
1956	66 and 4 months	26.67%	31.67%
1957	66 and 6 months	27.5%	32.5%
1958	66 and 8 months	28.33%	33.33%
1959	66 and 10 months	29.17%	34.17%
1960 +	67	30%	35%



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Survivor Benefits

When you pass away, your surviving spouse can:

- Receive 100% of your full benefit if full retirement age; or
- At age 60, receive 71.5% of your full benefit and increases each month you wait up to 100% if you start at full retirement age; or
- Claim survivor benefits at any age between 60 and full retirement age.



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Spouse (living) benefits

Survivor (death) benefits

Can start from age 62 to Full Retirement Age (FRA)

Can start from age 60 to Full Retirement Age (FRA)

50% at FRA or less if you start prior to FRA (reduction for each month you take it early)

71.5% at age 60 and increases each month you wait, up to 100% if you start at FRA

Divorced spouses qualify if marriage lasted at least 10 years and other conditions are met

Divorced spouses qualify if marriage lasted at least 10 years and other conditions are met



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Social Security Disability Insurance (SSDI)

The SSDI program pays monthly benefits to you and to certain members of your family if:

- You have worked long enough, recently enough, and
- You have a medical condition that has prevented you from working – or is expected to prevent you from working – at a substantial level for at least 12 months, or your medical condition is expected to end in death.



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Auxiliary Benefits for Children under 18

A child must have:

- A parent who's disabled or retired and entitled to Social Security benefits; or
- A parent who died after having worked long enough in a job where they paid Social Security taxes.

The child must also be:

- Unmarried;
- Younger than age 18;
- 18-19 years old and a full-time student (no higher than grade 12); or
- 18 or older and disabled. (The disability must have started before age 22.)



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How Social Security Determines Your Benefit?

Benefits are based on earnings

- Step 1 -Your wages are adjusted for changes in wage levels over time
- Step 2 -Find the monthly average of your 35 highest earnings years
- Step 3 -Result is “average indexed monthly earnings”



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2019 Retirement Benefit Formula

If your average monthly earnings are = **\$5,800**

Then your monthly benefit would be = **\$2,355**

Average Monthly Earnings = \$5,800



90% of First..... **\$926 = \$833**



32% of Earnings over \$926 through \$5,583... **\$4,657 = \$1,490**
(\$5,583 - \$926 = \$4,657)



15% of Earnings over \$5,583..... **\$217 = \$32**

\$5,800 \$2,355

**Payments rounded to whole dollar amounts*



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Windfall Elimination Provision (WEP)

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.

WEP can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985.

[socialsecurity.gov/planners/retire/wep.html](https://www.socialsecurity.gov/planners/retire/wep.html)



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Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation
90% of the <u>first</u> \$926	40% of the <u>first</u> \$926
32% of the next \$5,583	32% of the next \$5,583
15% of the remainder	15% of the remainder

Max WEP loss for someone who turns 62 in 2019 is \$450/month



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Exception to the WEP

Years of Substantial Earnings	% of First Factor in Benefit Formula
30 or more	90
29	85
28	80
27	75
26	70
25	65
24	60
23	55
22	50
21	45
20 or fewer	40



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Online Calculator (WEP Version)

- This is different than the “retirement estimator”
- You need to enter all your past earnings taxed by Social Security, which are shown on your [online Social Security Statement](#).
- You need to enter the approximate monthly amount of your pension that was based on work not covered by Social Security. *You can learn more about non-covered pensions and WEP in our [Retirement Planner](#) and our [Information for Government Employees](#) website.*



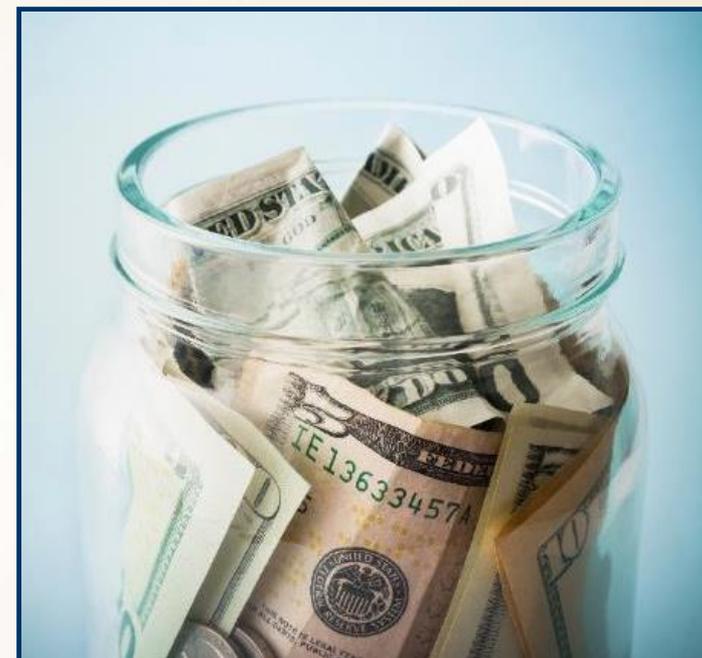
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Government Pension Offset

- A type of benefit reduction that may affect some spouses and widows or widowers
- If you receive a government pension based on work not covered by Social Security, your SS spouse's or widow(er)'s benefits may be reduced.



[socialsecurity.gov/gpo](https://www.socialsecurity.gov/gpo)



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Government Pension Offset

2/3 of amount of non-covered pension will be used to reduce the Social Security spouse's/widow(er)'s benefits.

Examples:

\$1200 Non-covered Pension

$2/3 = \$800$

If Social Security spouse's or widow(er)'s benefit = \$750,
no benefit payable due to offset

If Social Security spouse's or widow(er)'s benefit = \$1000,
\$200 would be payable after offset

[socialsecurity.gov/gpo](https://www.socialsecurity.gov/gpo)



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Working While Receiving Benefits

If you are	You can make up to	If you earn more, some benefits will be withheld
Under Full Retirement Age	\$17,640/yr. (\$1,420/month)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$46,920/yr. (\$3,910/month) before month of full retirement age	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

Note: If some of your retirement benefits are withheld because of your earnings, your benefits will be increased starting at your full retirement age to take into account those months in which benefits were withheld.



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Taxation of Social Security Benefits

If you:



file a federal tax return as an "individual" and your *combined income** is

- between \$25,000 and \$34,000, you may have to pay income tax on up to 50 percent of your benefits.
- more than \$34,000, up to 85 percent of your benefits may be taxable.



file a joint return, and you and your spouse have a *combined income** that is

- between \$32,000 and \$44,000, you may have to pay income tax on up to 50 percent of your benefits
- more than \$44,000, up to 85 percent of your benefits may be taxable.



are married and file a separate tax return, you probably will pay taxes on your benefits.

Visit [IRS.gov](https://www.irs.gov) and search for Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security And Equivalent Railroad Retirement Benefits*



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Applying for Benefits

3 options available to apply:



Online



By phone 1-800-772-1213



At our office

You choose the most convenient option for you!

Note: Supplemental Security Income (SSI), child and survivor claims can only be done by phone or in a field office (not online) at this time. We are developing an online SSI application.



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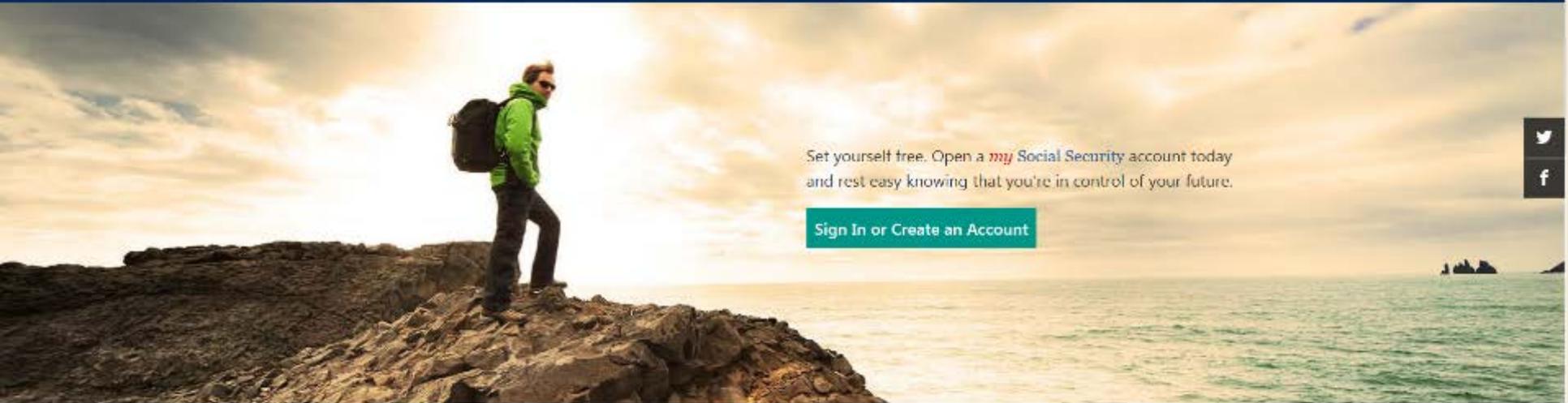
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socialsecurity.gov/myaccount



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Medicare

Part A = Hospital Insurance

Part B = Medical Insurance

Part C = Medicare Advantage Plans

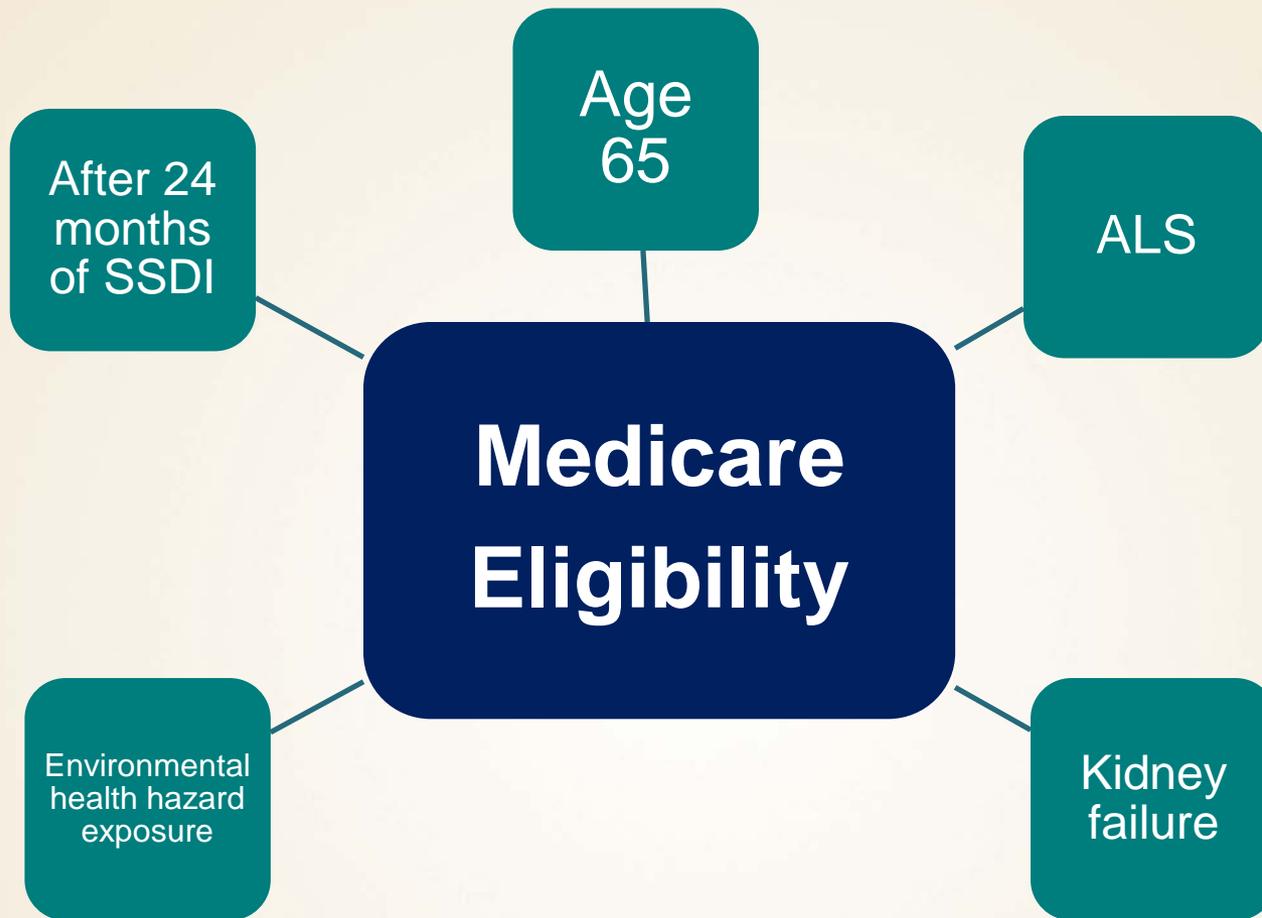
Part D = Prescription Drug Plans

Visit [Medicare.gov](https://www.Medicare.gov) for details



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Initial Enrollment Period

Begins 3 months before your 65th birthday and ends 3 months after that birthday

Medicare Enrollment

General Enrollment Period

January 1 – March 31

Special Enrollment Period

If 65 or older and covered under a group health plan based on your – or your spouse's – current work.



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If you enroll in this month of your initial enrollment period:

Then your Part B Medicare coverage starts:

One to three months before you reach age 65

The month you reach age 65

The month you reach age 65

One month after the month you reach age 65

One month after you reach age 65

Two months after the month of enrollment

Two or three months after you reach age 65

Three months after the month of enrollment



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The standard Part B premium for 2019 is \$135.50.

If you're single and file an individual tax return, or married and file a joint tax return:

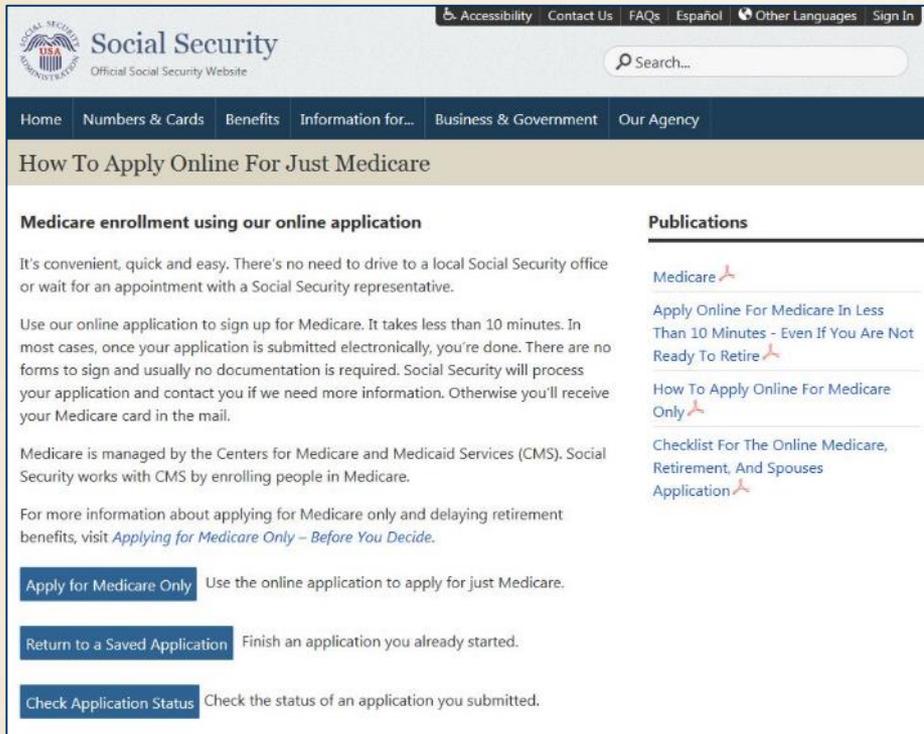
Modified Adjusted Gross Income	Part B monthly premium amount	Prescription drug coverage monthly premium amount
Individuals with a MAGI of \$85,000 or less Married couples with a MAGI of \$170,000 or less	2017 standard premium \$134.00	Your plan premium
Individuals with a MAGI above \$85,000 up to \$107,000 Married couples with a MAGI above \$170,000 up to \$214,000	Standard premium + \$53.50	Your plan premium + \$13.30
Individuals with a MAGI above \$107,000 up to \$160,000 Married couples with a MAGI above \$214,000 up to \$320,000	Standard premium + \$133.90	Your plan premium + \$34.20
Individuals with a MAGI above \$160,000 up to \$214,000 Married couples with a MAGI above \$320,000 up to \$428,000	Standard premium + \$214.30	Your plan premium + \$55.20
Individuals with a MAGI above \$214,000 Married couples with a MAGI above \$428,000	Standard premium + \$294.60	Your plan premium + \$76.20



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Medicare Applications



The screenshot shows the Social Security Administration's website. At the top, there is a navigation bar with links for Accessibility, Contact Us, FAQs, Español, Other Languages, and Sign In. Below this is the Social Security logo and a search bar. The main content area is titled "How To Apply Online For Just Medicare". It includes a section for "Medicare enrollment using our online application" with text explaining the convenience of online applications. There are three action buttons: "Apply for Medicare Only", "Return to a Saved Application", and "Check Application Status". A "Publications" section on the right lists several related articles with red arrow icons.

If you already have Medicare Part A and wish to add Medicare Part B, simply take or mail forms CMS 40-B and CMS-L564 to your local Social Security office

[socialsecurity.gov/medicare/apply.html](https://www.socialsecurity.gov/medicare/apply.html)



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[Sign In or Create an Account](#)

Posted June 10, 2017: **An Important Message for *my* Social Security Users: Please read this important notice about changes to your account.**

HAVE AN ACTIVATION CODE?

[Finish Setting Up Your Account](#)

socialsecurity.gov/myaccount



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Enhanced Security for your *my* Social Security Account

- We recently added a second method to check the identification of account holders when you register or sign in.
- This is in addition to the first layer of security, your username and password.
- You will be able to choose either your cell phone or your email address as your second identification method.



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[SocialSecurity.gov](https://www.SocialSecurity.gov)



Enhanced Security for your *my* Social Security Account cont.

Each time you sign in to your account, you will complete two steps:

- Step 1: Enter your username and password.
- Step 2: Enter the security code we send by text message or email, depending on your choice (cell phone provider text message and data rates may apply).

If a user does not have a text-enabled cell phone, or does not wish to provide their cell phone number, they will need to use their email address as a second identification method instead.



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Anti-Fraud

We take fraud seriously! If you suspect fraud, waste, or abuse, report it to SSA's Office of the Inspector General (OIG) by:

- Submitting a report online at oig.ssa.gov and using the e-8551 (Fraud Reporting Form);
- Calling the OIG Hotline at 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. (EST) (TTY 1-866-501-2101 for the deaf or hard of hearing);
- Faxing your statement to 410-597-0118; or
- Mailing your statement to Social Security Fraud Hotline, P.O. Box 17785, Baltimore, MD 21235

www.socialsecurity.gov/antifraudfacts



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Q&A session



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