



# Social Security Makes Retirement Planning Easy



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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 \$1,320 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

*Note: To earn 4 credits in 2018 you must earn at least \$5,280.00.*



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# How Social Security Determines Your Benefit?

Social Security 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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# Age to Receive Full Social Security Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or later	67



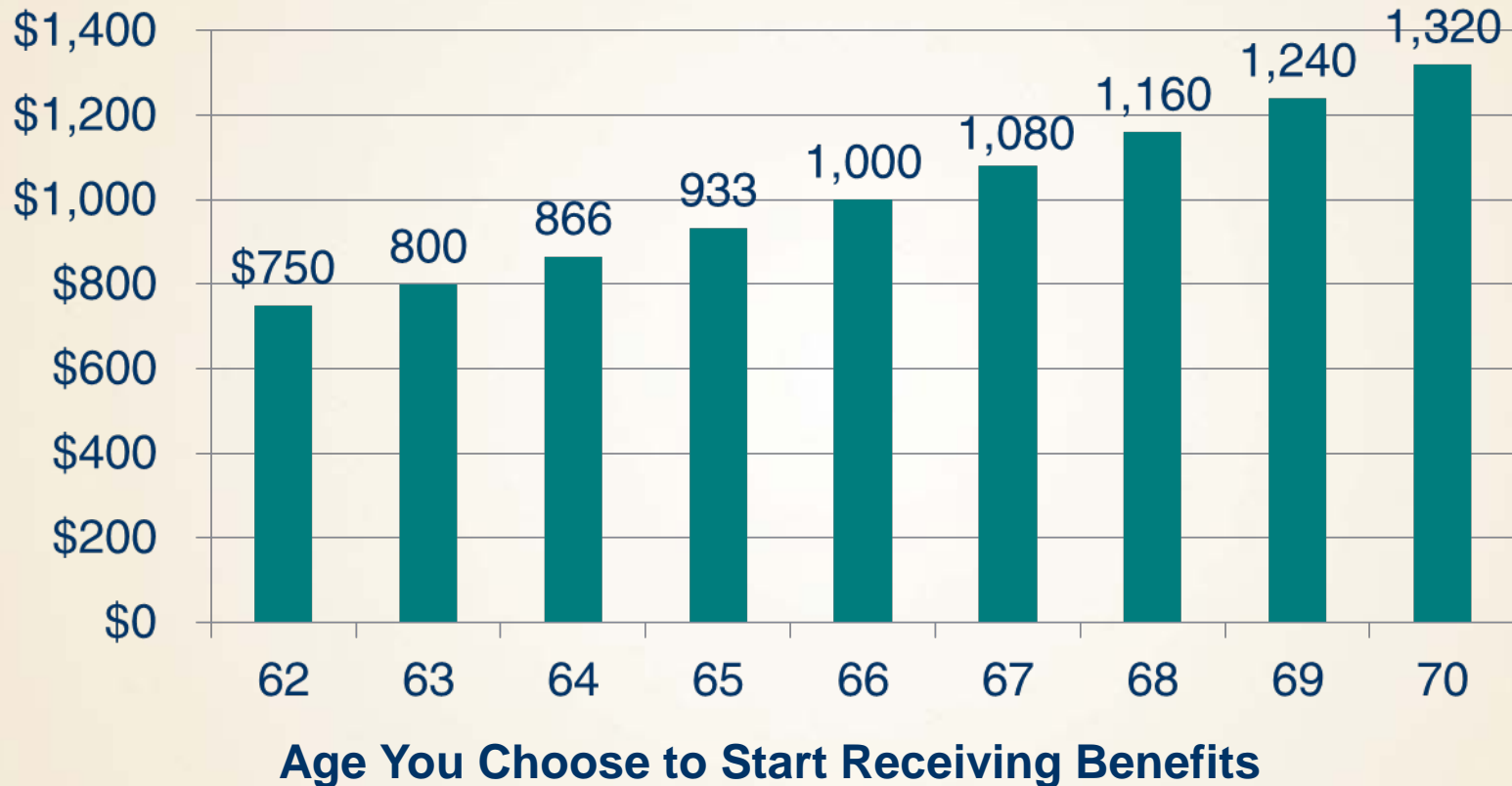
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# What Is the Best Age to Retire?

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



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## Spouse (living) benefits

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

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

*Divorced spouses qualify if marriage lasted at least 10 years*

## Survivor (death) benefits

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

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*



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# If You Are Divorced

A person can receive benefits as a divorced spouse on a former spouse's Social Security record if not married:

- Was married to the former spouse for at least 10 years;
- Is at least 62 years old;
- Is unmarried; and
- Is not entitled to a higher Social Security benefit on his or her own record.



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# Survivor Eligibility Factors

Child	Can receive benefit if not married and under age 18 (or under age 19 if still in high school).
Disabled Child	Can receive benefits beyond age 18 if not married and was disabled before age 22.
Widow / Widower	Can get full benefits at full retirement age – or reduced benefits at age 60 – or as early as age 50 if disabled – or at any age if caring for child under 16 or a disabled child.



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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	\$17,040/yr. (\$1,420/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$45,360/yr. (\$3,780/mo.)	\$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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## Income That Counts as Earnings

Gross wages from employment

Net earnings from self-employment

## Income That Does NOT Count as Earnings

Inheritance payments

Pensions

Income from investments

Interest and dividends

Capital gains

Other sources



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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.

Your adjusted gross income  
+ Nontaxable interest  
+  $\frac{1}{2}$  of your Social Security benefits  
= Your "**combined income**"



No one pays federal income tax on more than 85 percent of his or her Social Security benefits, based on Internal Revenue Service (IRS) rules

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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# 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.



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# Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation
90% of the First \$895	40% of the First \$895
32% of the Next \$5,397	32% of the Next \$5,397
15% of the Remainder	15% of the Remainder

The average reduction is \$280 a month  
The maximum reduction possible is \$448.00 a month



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# Windfall Elimination Provision (WEP)

Years of Social Security Coverage	% 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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# Government Pension Offset (GPO)

If you receive a government pension based on work not covered by Social Security, your Social Security spouse's or widow(er)'s benefits may be reduced.



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# Social Security's Disability Definition:

- A medical condition or combination of impairments preventing substantial work for at least 12 months, or expected to result in death.
- The determination also considers age, education, and work experience



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# How Do You Qualify for Disability Benefits?

- Must have paid into Social Security five out of the last 10 years
- For workers under age 31 less work is required
  - Must have paid Social Security taxes for half the time since age 21

Example: Age 24

Paid Social Security Taxes 1 ½ years

Age 29

Paid Social Security Taxes 4 years



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# Who Can Get Disability Benefits?

Child	Can receive benefit if not married and under age 18 (or under age 19 if still in high school).
Disabled Child	Can receive benefits beyond age 18 if not married and was disabled before age 22.
Spouse	Can get full benefits at full retirement age – or reduced benefits at age 62 – or at any age if caring for child under 16 or a disabled child. Divorced spouses may qualify



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# Medicare

**Part A** = Hospital Insurance

**Part B** = Medical Insurance

**Part C** = Medicare Advantage Plans

**Part D** = Prescription Drug Plans

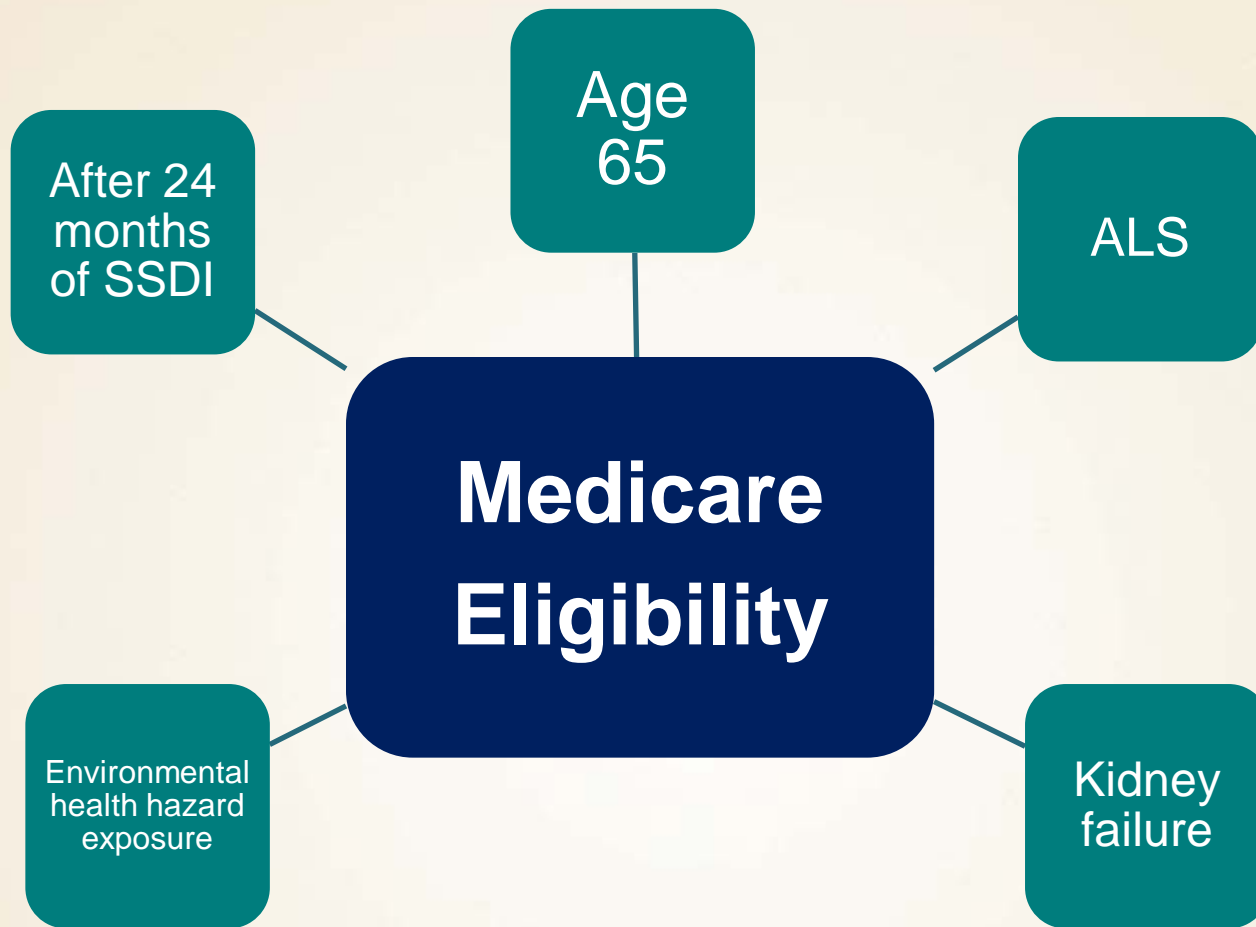
Visit [Medicare.gov](https://www.Medicare.gov) for details



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## Initial Enrollment Period

Begins 3 months before your 65<sup>th</sup> birthday and ends 3 months after that birthday

# Medicare Enrollment

## General Enrollment Period

January 1 – March 31

## Special Enrollment Period

If 65 or older, you & your spouse are still working, and you are covered under a group health plan



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# New Card! New Number!

Mailing  
in 2018

## NEW Medicare Card

### Current Medicare Card

**MEDICARE**  **HEALTH INSURANCE**


1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY  
**JANE DOE**

MEDICARE CLAIM NUMBER **000-00-0000-A** SEX **FEMALE**

IS ENTITLED TO **HOSPITAL (PART A)** EFFECTIVE DATE **07-01-2016**  
**MEDICAL (PART B)** **07-01-2016**

SIGN HERE → *Jane Doe*

 **MEDICARE HEALTH INSURANCE**

Name/Nombre  
**JOHN L SMITH**

Medicare Number/Número de Medicare  
**1EG4-TE5-MK72**

Entitled to/Con derecho a  
**HOSPITAL (PART A)**  
**MEDICAL (PART B)**

Coverage starts/Cobertura empieza  
**03-01-2016**  
**03-01-2016**



CMS Product No. 12009-P  
September 2017

# 1-800-MEDICARE or Medicare.gov



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# Medicare.gov

The Official U.S. Government Site for Medicare

type search term here

Search

Sign Up /  
Change Plans

Your Medicare  
Costs

What Medicare  
Covers

Drug Coverage  
(Part D)

Supplements &  
Other Insurance

Claims &  
Appeals

Manage Your  
Health

Forms, Help, &  
Resources

## Is my test, item, or service covered?

type your test, item, or service here

Go

Find health  
& drug plans

Apply for  
Medicare

Get started  
with Medicare



New measures for home health services

Learn more

Get your Medicare Summary Notices (MSNs) electronically

Go paperless

### Address change/Medicare card issue?

Select your card issue...



Go

### Information for my situation

Select your situation...



Go

### Find someone to talk to

Select your state...



Go

# 1-800-MEDICARE or Medicare.gov



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Cost-Of-Living Adjustment (COLA)  
Information about Social Security's 2017 benefit amounts



Apply for Retirement



Apply for Disability



Get a replacement  
Medicare card



Change of Address



**my Social Security**

Check out your *Social Security Statement*, change your address & manage your benefits.



**Online Services**

Whether you are applying for or receiving benefits, learn what you can do online.



**Retirement Estimator**

Calculate your benefits based on your actual Social Security earnings record.



**FAQs**

Get answers to frequently asked questions about Social Security.



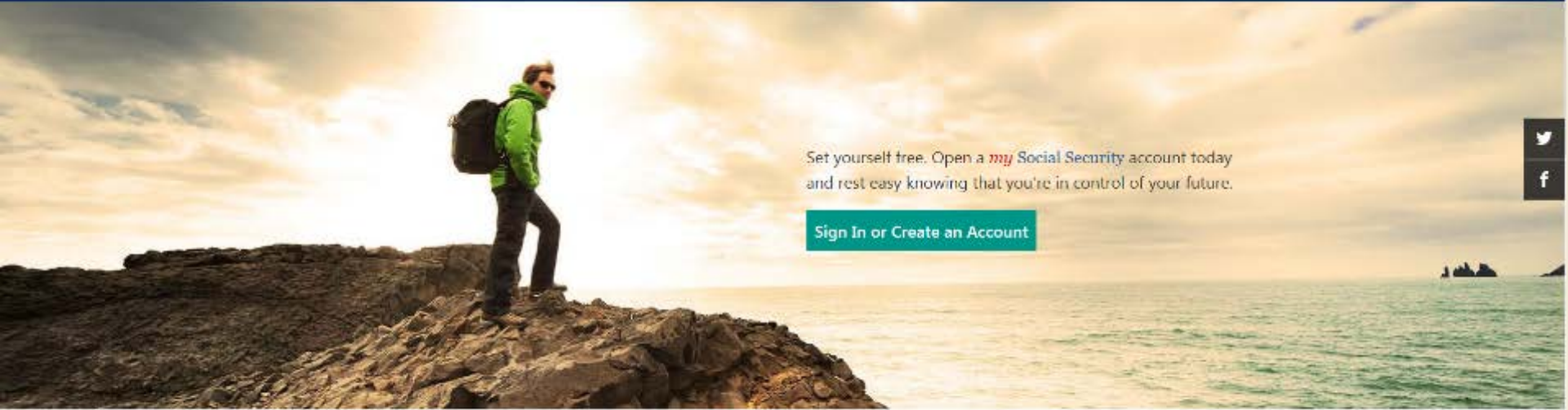


# my Social Security



Social Security

SEARCH MENU LANGUAGES SIGN IN / UP



Set yourself free. Open a *my* Social Security account today and rest easy knowing that you're in control of your future.

[Sign In or Create an Account](#)



## HAVE AN ACTIVATION CODE?

[Finish Setting Up Your Account](#)

Received assistance from Social Security to create your account? Finish the process by entering your activation code now.



# socialsecurity.gov/myaccount



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# *my* Social Security Services

If you do not receive benefits, you can:

- Request a replacement Social Security card if you meet certain requirements;
- Check the status of your application or appeal;
- Get your Social Security Statement to review:
  - Estimates of your future retirement, disability, and survivor benefits;
  - Your earnings once a year to verify the amounts that we posted are correct; and
  - The estimated Social Security and Medicare taxes you've paid.



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# *my* Social Security Services

If you receive benefits or have Medicare, you can:

- Request a replacement Social Security card if you meet certain requirements;
- Get a benefit verification letter as proof that you are getting benefits;
- Check your benefit and payment information and your earnings record;
- Change your address and phone number;
- Start or change direct deposit of your benefit payment;
- Get a replacement Medicare card; and
- Get a replacement SSA-1099 or SSA-1042S for tax season.



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# How to open a *my* Social Security account

- 1 Visit [socialsecurity.gov/myaccount](https://socialsecurity.gov/myaccount)
- 2 Select: Sign In or Create an Account
- 3 Provide some personal information to verify your identity.
- 4 Choose a “username” and “password” to create your account.



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### Retirement Estimator



#### How the Retirement Estimator Works

The Retirement Estimator gives estimates based on your actual Social Security earnings record. Please keep in mind that these are **just** estimates. We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates provided because:**

- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they will be adjusted for cost-of-living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.

#### Who Can Use the Retirement Estimator

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.

If you are currently receiving only Medicare benefits, you can still get an estimate. For more information go to this link for our publication Retirement Information For Medicare Beneficiaries.

If you cannot use the Retirement Estimator **or** you want a survivors or disability benefit estimate, please use one of our other benefit Calculators.

[Estimate Your Retirement Benefits](#)

Select Here

#### Related Information

- [Estimate Your Life Expectancy](#)
- [Other Benefit Calculators](#)
- [What is the best age to start receiving retirement benefits?](#)
- [Benefits For Your Spouse](#)
- [Other Things To Consider](#)
- [Retirement Toolkit](#)



#### Online Applications

- [Apply Online For Retirement Benefits](#)
- [Apply Online For Spouse's Benefits](#)

#### Note:

If you need information about how to move around in the Retirement Estimator, please read "How To Move Around In This Application."

# socialsecurity.gov/estimator



# 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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# Questions?



If you have questions,  
a valuable resource on our website  
is our “FAQs”

or

Call Social Security toll-free at

1-800-772-1213

TTY 1-800-325-0778

7 am – 7 pm Monday – Friday  
Automated Phone Service 24/7



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# Thank You!



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