Social Security Makes Retirement Planning Easy

Securing today and tomorrow

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.

How Social Security Determines Your Benefit?

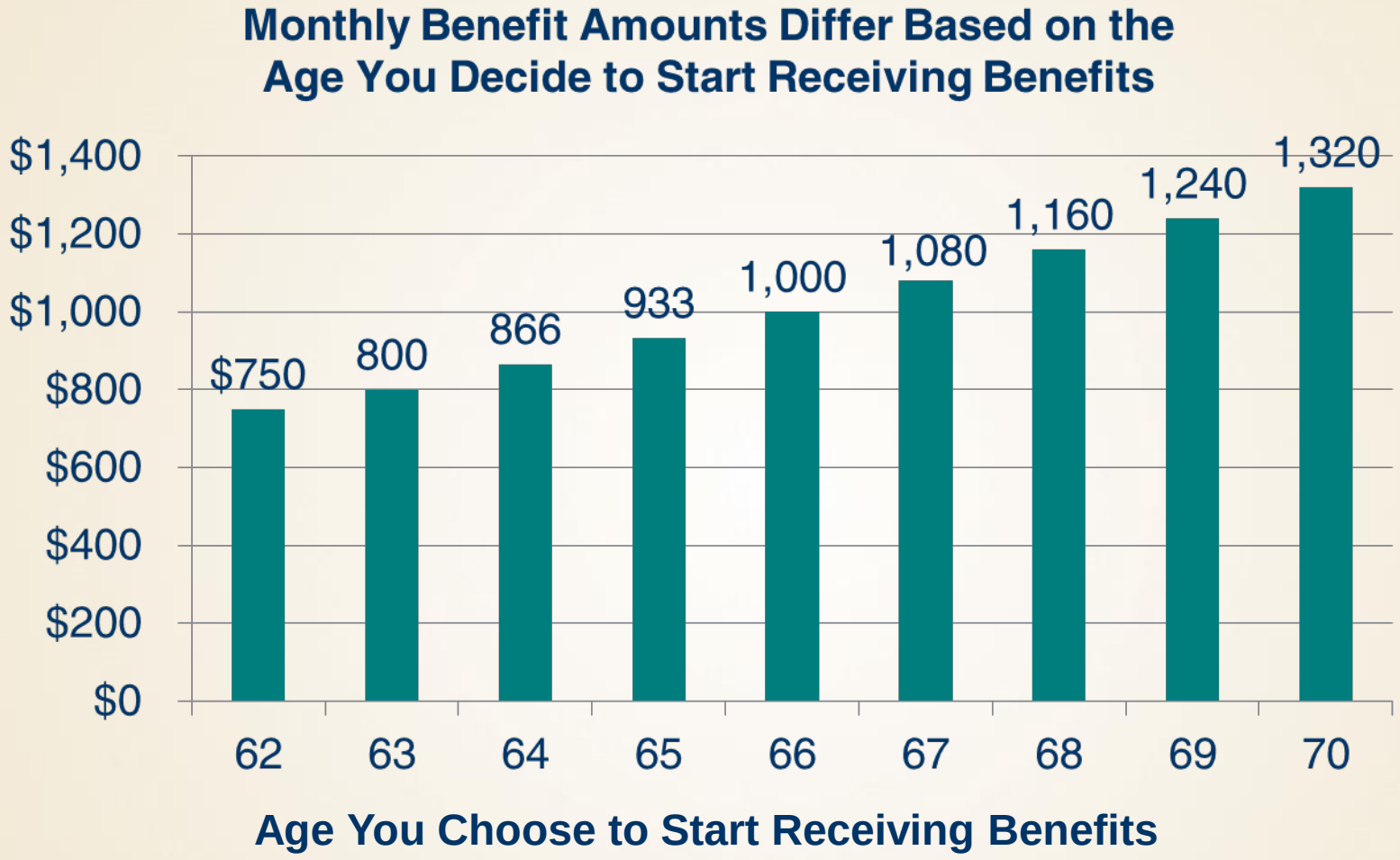
Social Security benefits are based on earnings

- 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”

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

What Is the Best Age to Retire?



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

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.

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.

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/mo.)	$1 for every $2
The Year Full Retirement Age is Reached	$46,920/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.

Income That Counts as Earnings	Income That Does NOT Count as Earnings
Gross wages from employment	Inheritance payments
Net earnings from self-employment	Pensions
	Income from investments
	Interest and dividends
	Capital gains
	Other sources

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
+ ½ 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 and search for Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security And Equivalent Railroad Retirement Benefits*

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.

Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation
90% of the First $926	40% of the First $926
32% of the Next $5,583	32% of the Next $5,583
15% of the Remainder	15% of the Remainder

The average reduction is $280 a month
The maximum reduction possible is $428.00 a month

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

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.

Government Pension Offset (GPO)

Applies to Spouse's Benefits Only

- 2/3 of amount of government pension will be used to reduce the Social Security spouse's benefit

Example:

- $1,200 of government pension; 2/3 = $800
  Social Security spouse's benefit - $750
  -$50

  No benefit payable by Social Security

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

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

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

Medicare

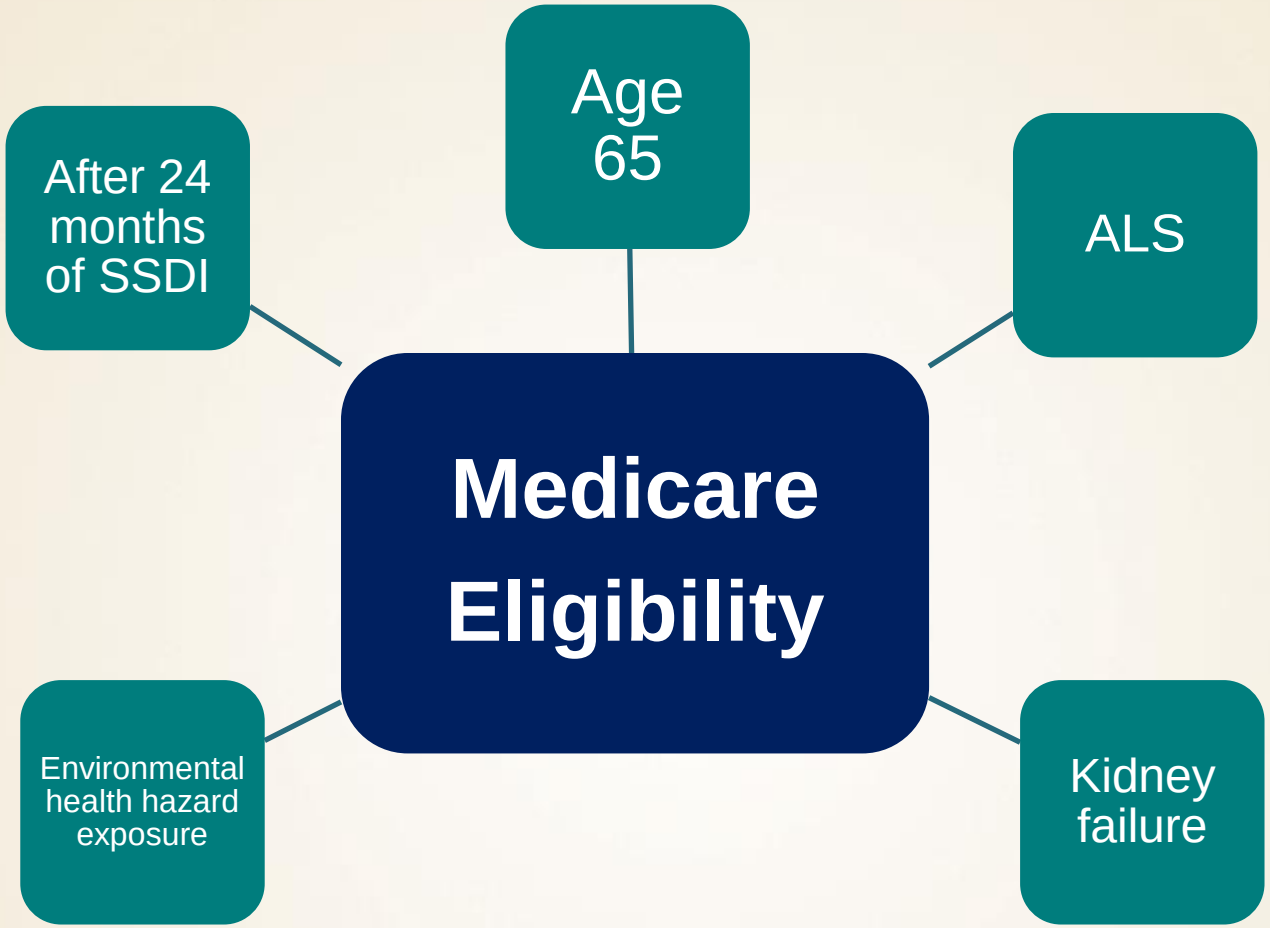
Part A = Hospital Insurance

Part B = Medical Insurance

Part C = Medicare Advantage Plans

Part D = Prescription Drug Plans

Visit Medicare.gov for details


Medicare Eligibility
Age 65
ALS
Kidney failure
Environmental health hazard exposure
After 24 months of SSDI

Medicare Enrollment

Initial Enrollment Period

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

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

New Card! New Number!

Mailing in 2018

Current Medicare Card

MEDICARE HEALTH IN

1-800-MEDICARE (1-800-633-42

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
FEMALE

IS ENTITLED TO | EFFECTIVE DATE

HOSPITAL (PART A) 07-0
MEDICAL (PART B) 07-0

SIGN HERE → Jane Doe

NEW Medicare Card

MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

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

Entitled to/Con derecho a | Coverage starts/Cobertura empieza

HOSPITAL (PART A) 03-01-2016
MEDICAL (PART B) 03-01-2016

CMS Product No. 12009-P
September 2017

1-800-MEDICARE or Medicare.gov

1-800-MEDICARE or Medicare.gov

Social Security

SEARCH MENU LANGUAGES SIGN IN / UP

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.

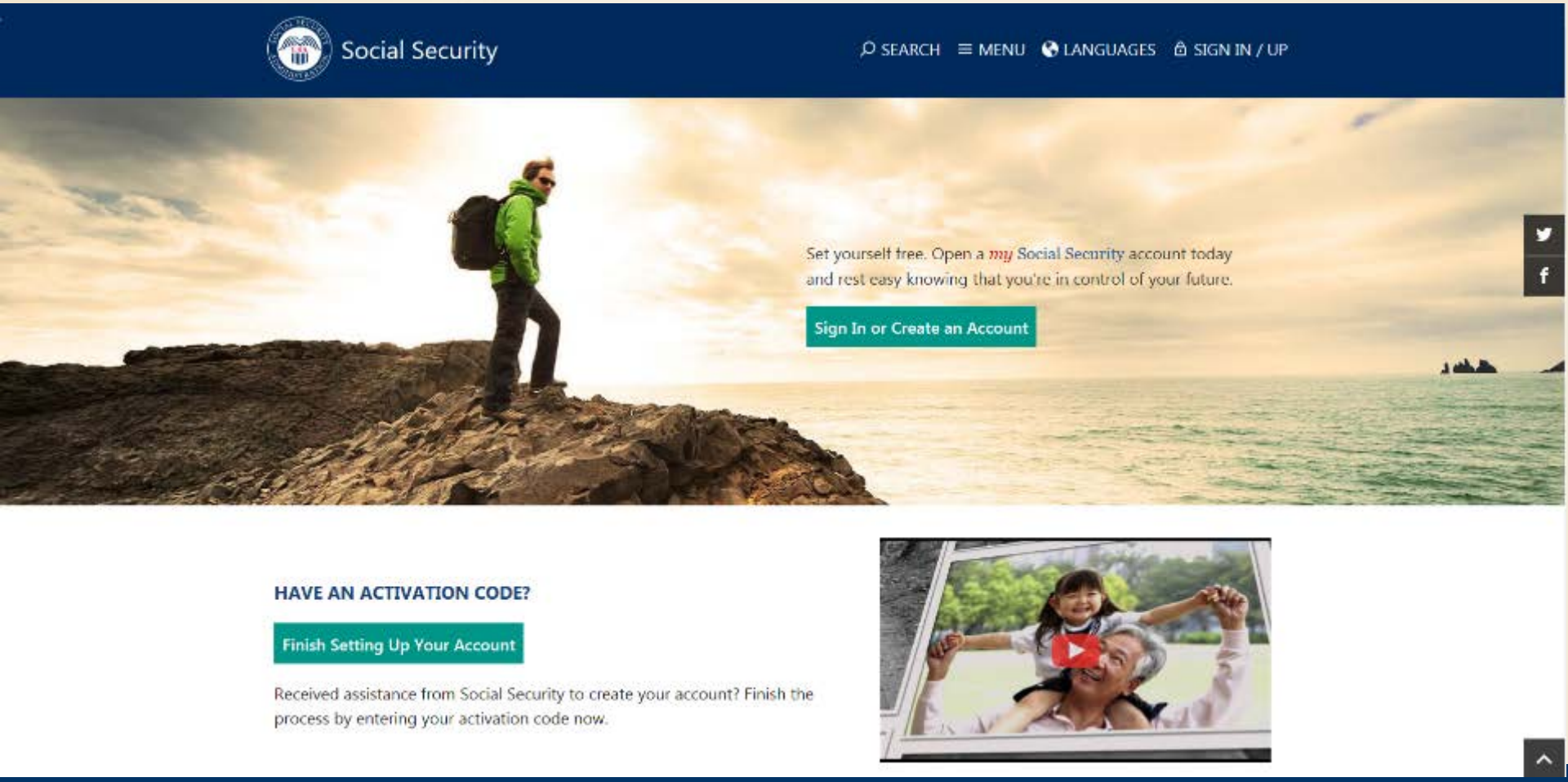
Retirement Estimator

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

FAQs

Get answers to frequently asked questions about Social Security.

my Social Security



socialsecurity.gov/myaccount

my Social Security Services

If you do <u>not</u> 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.

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.

How to open a *my* Social Security account

1. Visit *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.

Social Security

SEARCH MENU LANGUAGES SIGN IN / UP

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.

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

Thank You!

Securing today
and tomorrow