

# A Foundation for Planning Your Future

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# How Do You Qualify for Retirement Benefits?

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- You need to work to earn Social Security “credits”
- Each \$1,300 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



**Example:** To earn 4 credits in 2017, you must earn at least \$5,200. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit. You must attain age 62 and apply.

# Full Retirement Age

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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

# How Social Security Determines Your Benefit

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**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”**

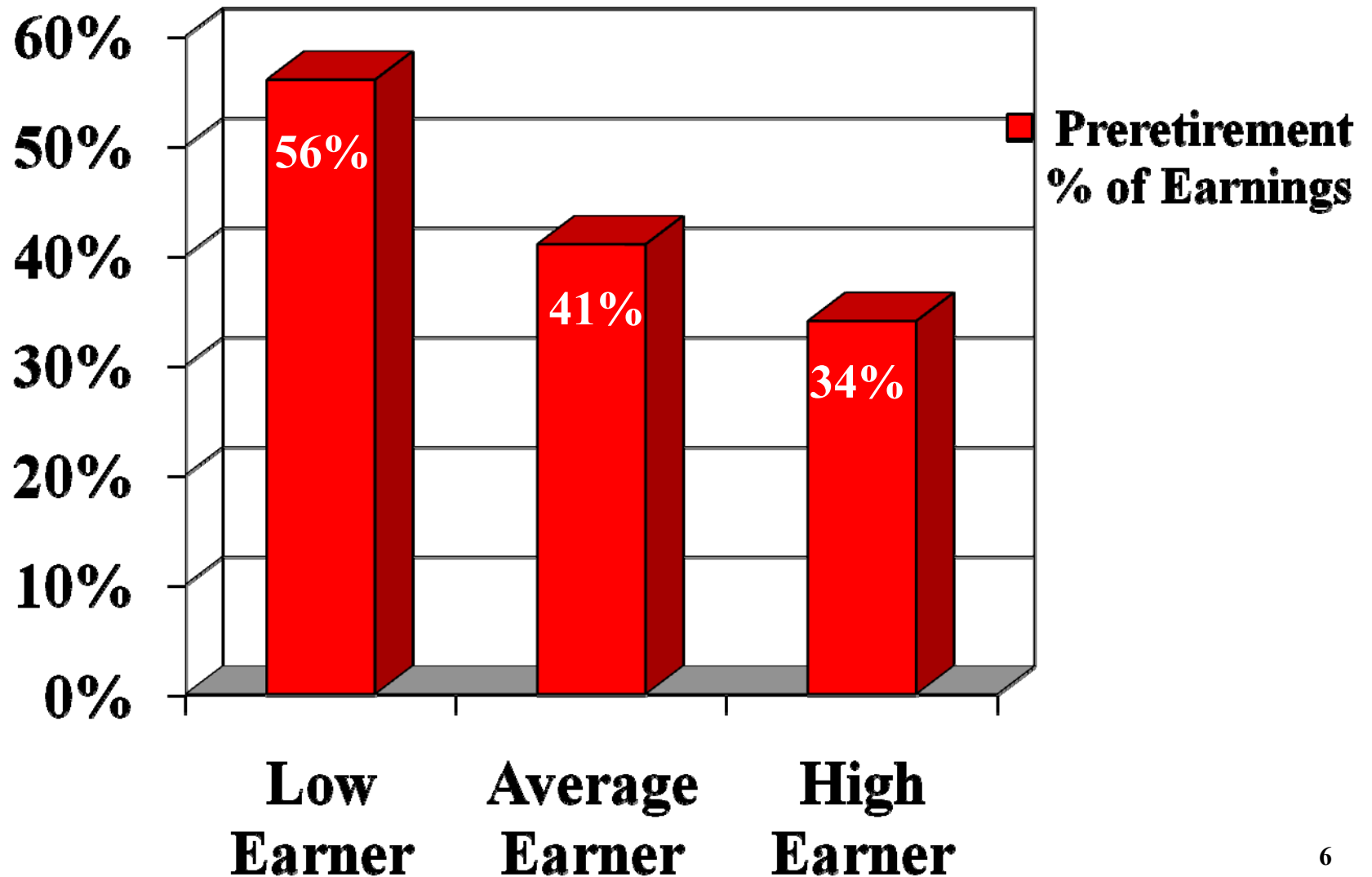


# 2017 Retirement Benefit Computation Example

**If your average monthly earnings are = \$5,500**  
**Then your monthly benefit would be = \$2,244**

<b>Average Monthly Earnings</b>	<b>\$5,500</b>		
<b>90% of First (40% to 85%) if WEP</b>	<b>\$885</b>	<b>=</b>	<b>\$796</b>
<b>32% of Earnings over \$885 through \$5,336</b> ( $\$5,336 - \$885 = \$4451$ )	<b>\$4451</b>	<b>=</b>	<b>\$1,424</b>
<b>15% of Earnings over \$5336</b> ( $\$5,500 - \$5,336 = \$164$ )	<b>\$164</b>	<b>=</b>	<b>\$24</b>
	<b>\$5,500</b>		<b>\$2,244</b>

# What You Can Expect at Full Retirement Age



# **Your Age At The Time You Elect Retirement Benefits Affects the Amount**

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## **If You're a Worker and Retire**

- **At age 62, you get a lower monthly payment**
- **At your full retirement age, you get your full benefit**
- **You get an even higher monthly payment if you work past your full retirement age**



# **Your Age At The Time You Elect Retirement Benefits Affects the Amount**

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**For example, if you were born from 1943 through 1954:**

- Age 62    75% of benefit**
- Age 66    100% of benefit**
- Age 70    132% of benefit**





# In Addition to the Retiree, Who Else Can Get Benefits?

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## Your Child

- **Not married under 18**  
(under 19 if still in high school)
- **Not married and disabled before age 22**

## Your Spouse

- **50% of worker's unreduced benefit**
- **Age 62 or older**
- **At any age, if caring for a child under age 16 or disabled**



# **In Addition to the Retiree, Who Else Can Get Benefits?**

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## **Your Ex-Spouse**

- **Marriage lasted at least 10 years**
- **Ex-spouse 62 or older and unmarried**  
(you can be married)
- **Divorced at least two years and you and your ex-spouse are at least 62, he or she can get benefits even if you are not getting benefits**
- **Ex-spouse's benefit amount has no effect on the amount you or your current spouse can get**

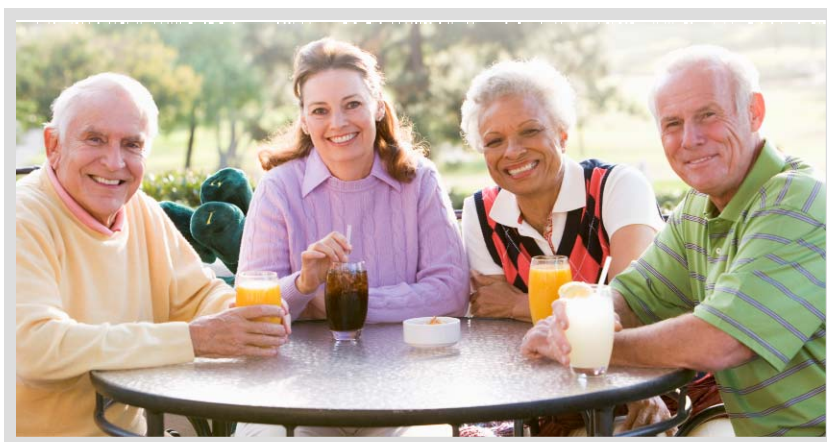
# **Widow or Widower Benefit Computation**

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- **At full retirement age, 100% of deceased worker's unreduced benefit**
- **At age 60, 71.5% of deceased worker's unreduced benefit**
- **Reduced benefits on one record at age 60, reduced or unreduced benefit on other record at age 62 or older**
- **Full benefits to both widow or widower and divorced widow or widower**

# You Can Work & Still Receive Benefits

<u>If You Are</u>	<u>You Can Make Up To</u>	<u>If You Make More, Some Benefits Will Be Withheld</u>
<b>Under Full Retirement Age</b>	<b>\$16,920/yr. (\$1,410/mo.)</b>	<b>\$1 for every \$2</b>
<b>The Year Full Retirement Age is Reached</b>	<b>\$44,880/yr. (\$3,740/mo.)</b>	<b>\$1 for every \$3</b>
<b>Month of Full Retirement Age and Above</b>	<b>No Limit</b>	<b>No Limit</b>



**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.**

# WHEN TO TAKE RETIREMENT BENEFITS??????????

A Complex Question:

- **62 FRA 70 In between**
- **Auxiliary benefits involved?**
- **Possibly going back to work?**
- **Major Changes in rules involving:  
Deemed Filing  
Voluntary Suspension**

# Applying for Retirement Benefits

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Apply online for Retirement Benefits by visiting  
[www.ssa.gov](http://www.ssa.gov) and then clicking on  
“Apply for Retirement”

# Your Benefits Can Be Taxable

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- **About 1/3 of people who get Social Security pay income taxes on their benefits.**
- **At the end of each year, you'll receive a *Social Security Benefit Statement* (Form SSA-1099). Use this statement to complete your Federal income tax return to find out if you have to pay taxes on your benefit.**

# **Who Can Get Medicare ?**

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**65 & older in the month**

**-or-**

**24 months after entitlement to Social Security disability benefits**

**-or-**

**Amyotrophic Lateral Sclerosis**

**-or-**

**Permanent kidney failure and receive maintenance dialysis or a kidney transplant**

**-or-**

**Exposure to Certain Environmental Health Hazards**



# Medicare Coverage

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## Part A - Hospital Insurance

- Covers most inpatient hospital expenses

## Part B - Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses
- Premium cost can be complicated
- Must have Part B to purchase “Medigap”

## Part C- Medicare Advantage Plans

## Part D - Medicare Prescription Drug Plan

- Covers a major portion of prescription drug costs for Medicare beneficiaries
- Enroll With Medicare prescription drug provider not SSA
- Annual enrollment period

# When Can I Sign Up for Medicare Part B?

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## Medicare Enrollment Periods:

- Initial – at age 65
- Special –if covered by active employer health insurance
- General – January-March

# Social Security's Online Services

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## Online Services for before or after you receive benefits

- Retirement Estimator
- Apply Online for Retirement, Medicare Only & Disability
- Medicare Online
- Apply for Extra Help With Medicare Drug Plan Costs
- Retirement/Survivors/Disability Planner
- Change of Address
- Medicare Card Replacements
- Request a Benefit Verification Letter
- Start or Change Direct Deposit
- Create a MySSA Account

# **ONE STOP PORTALS**

**[WWW.SSA.GOV](http://WWW.SSA.GOV)**

**[WWW.MEDICARE.GOV](http://WWW.MEDICARE.GOV)**