



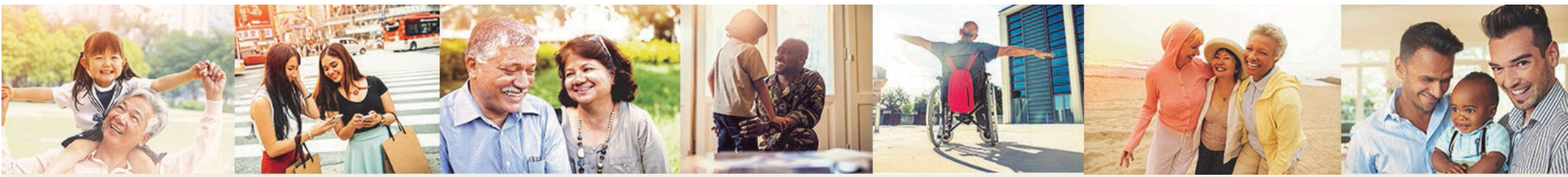
Social Security: With You Through Life's Journey...



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Produced at U.S. taxpayer expense



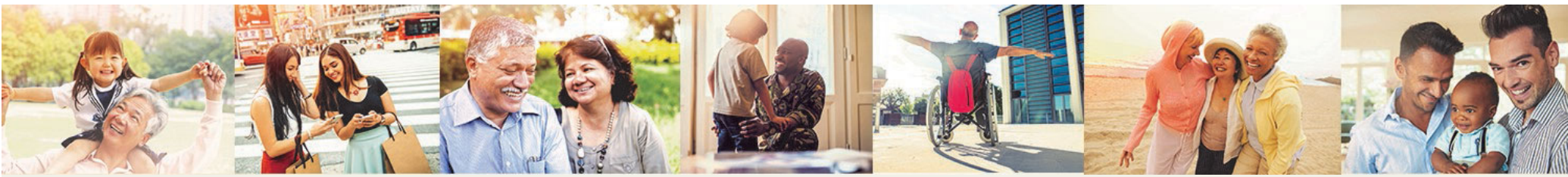
What's FICA?

- A U.S. federal payroll tax deducted from each paycheck
- Stands for the Federal Insurance Contributions Act
- Total amount deducted is 7.65%, your employer matches this
- 6.2% is for Social Security and 1.45% is for Medicare
- Helps fund both Social Security and Medicare programs, which provide benefits for:
 - Retirees, the disabled, Wounded Warriors and children



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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

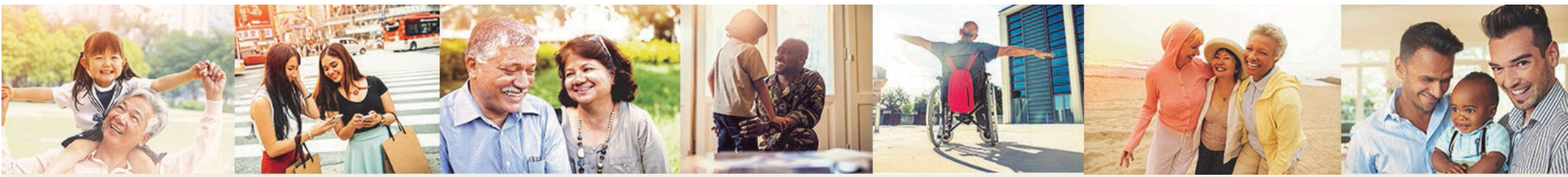
You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2019, you must earn at least \$5,440.



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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

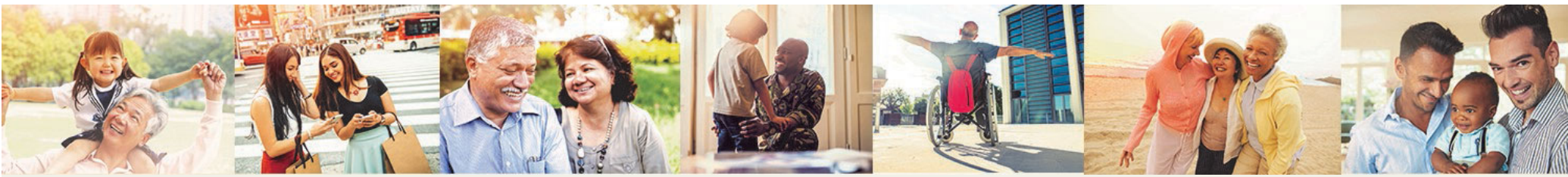
Step 2 -Find the monthly average of your 35 highest earnings years

Step 3 -Result is “average indexed monthly earnings”



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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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2019 Retirement Benefit Formula



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

Then your monthly benefit would be = **\$2,356**

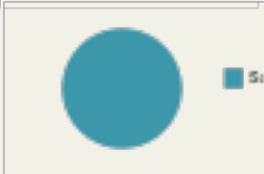
Average Monthly Earnings = \$5,800



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



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



15% of Earnings over \$5,583..... **\$217** is **\$33**

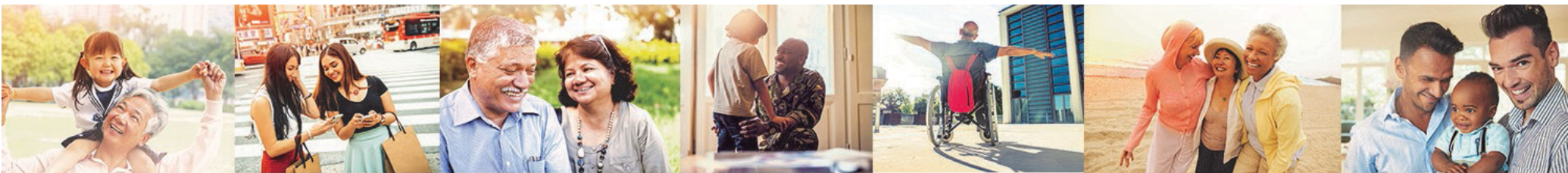
\$5,800 is \$2,356

**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 reach 62 after 1985; or

You become disabled after 1985; and

You first become eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985.

socialsecurity.gov/planners/retire/wep.html



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Windfall Elimination Provision (WEP)

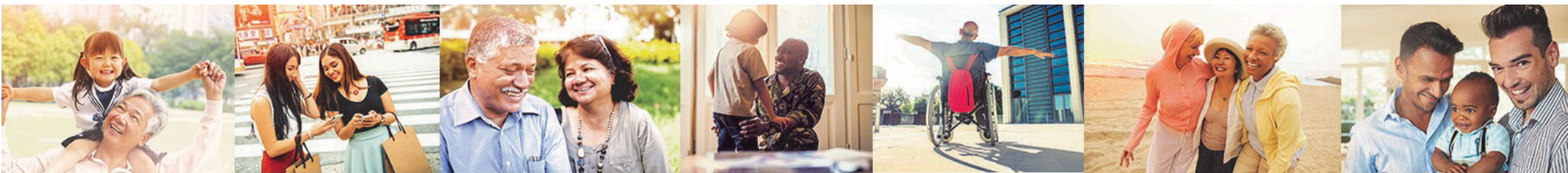
Normal Computation	WEP Computation
90% of the <u>first</u> \$926	40% of the <u>first</u> \$926
32% of the next \$4,657	32% of the next \$4,657
15% of the remainder	15% of the remainder

Max WEP reduction for someone who turns 62 in 2019 is
\$463/month

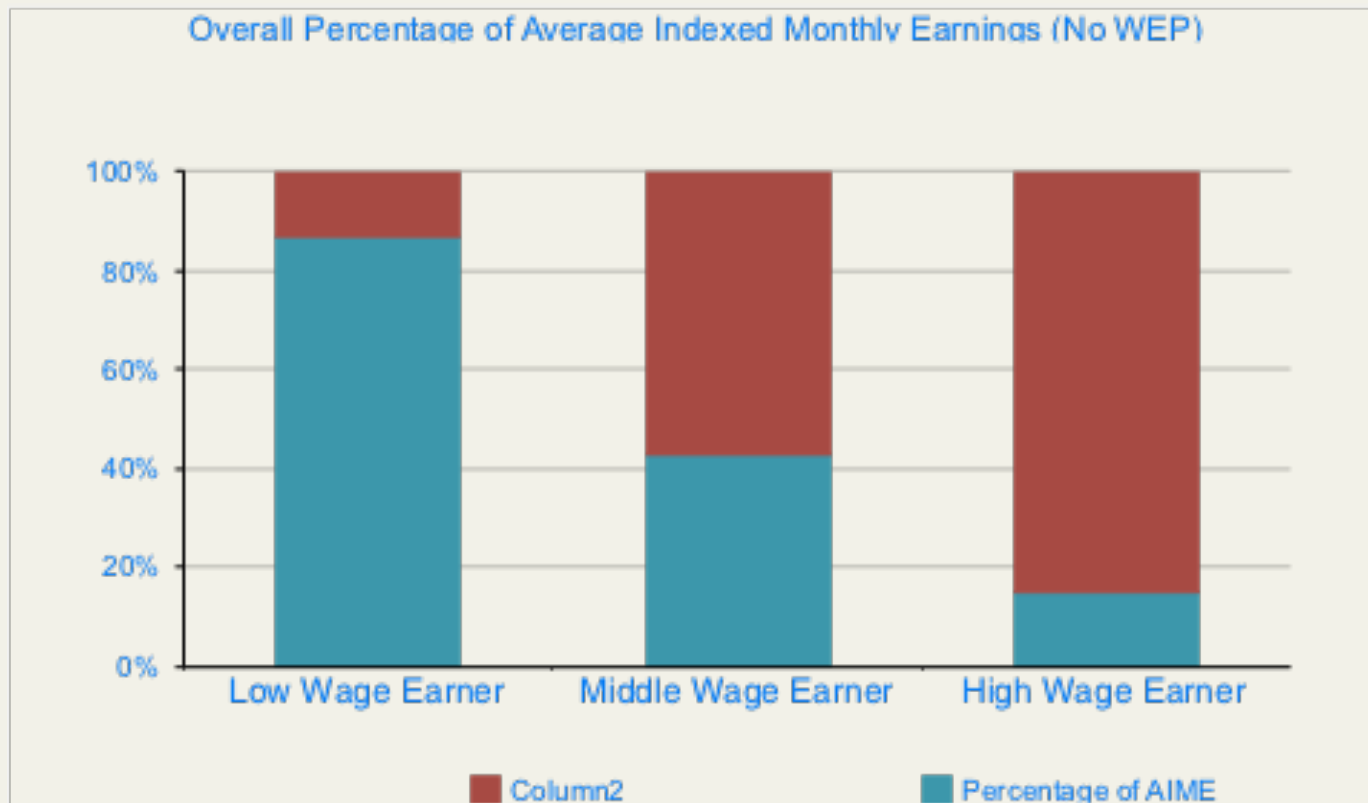


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Windfall Elimination Provision (WEP)



socialsecurity.gov/planners/retire/wep.html



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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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Working While Receiving Benefits

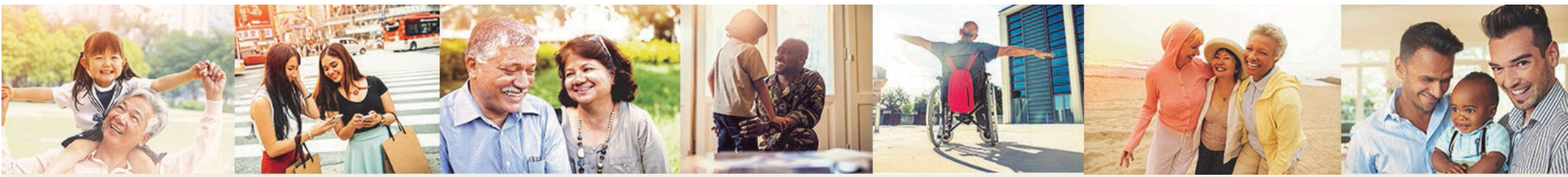
If you are	You can make up to	If you earn more, some benefits will be withheld
Under Full Retirement Age	\$17,640/yr.	\$1 for every \$2
The Year Full Retirement Age is Reached	\$46,920/yr. before month of full retirement age	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

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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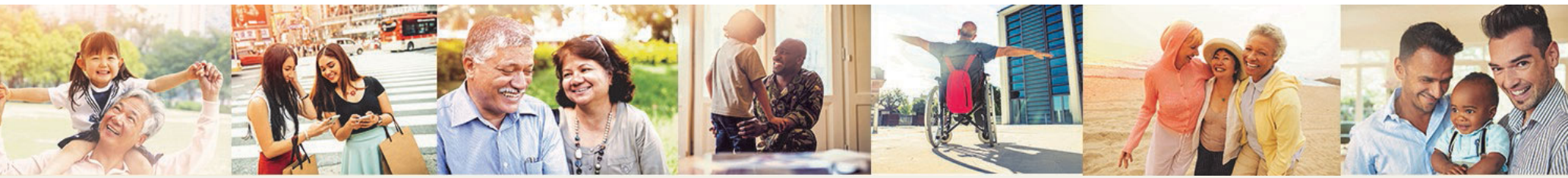
Spousal Benefits

- 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
- Benefit is unreduced if spouse is caring for a child under age 16 or disabled



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Benefits for Divorced Spouses

You may receive benefits on your ex-spouse's record (even if he or she has remarried) if:

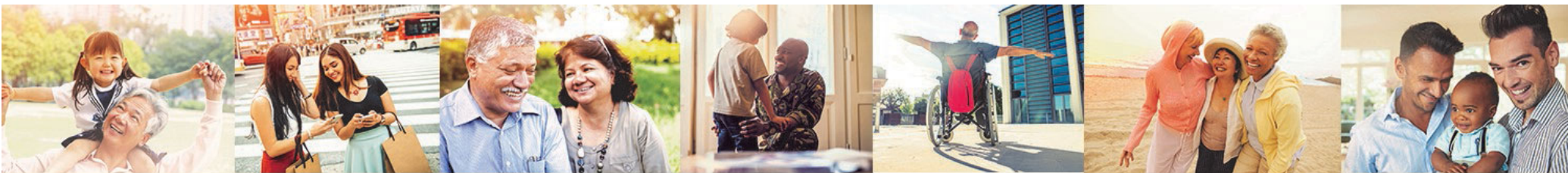
- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is entitled to Social Security retirement or disability benefits; and
- The benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.

Note: Marriage must have lasted 10 years or longer



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Deemed Filing

If you become eligible for Social Security benefits both as a retiree and as a spouse (or divorced spouse), and you want to go ahead and claim your benefits, you must file for both benefits.

Applies at any age for people who turned age 62 after January 1, 2016.

Note: There are two exceptions.

socialsecurity.gov/planners/retire/deemedfaq.html



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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



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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 ($\$750 - \$800 = \$0$)

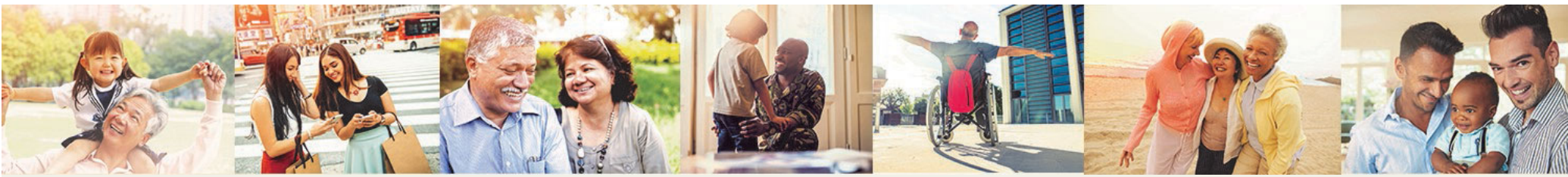
If Social Security spouse's or widow(er)'s benefit = \$1000,
\$200 would be payable after offset ($\$1000 - \$800 = \$200$)

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



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Social Security Disability Insurance (SSDI)

What is it?

SSDI is a program to provide income supplements to people who are no longer able to work because of a significant disability.

Who is it for?

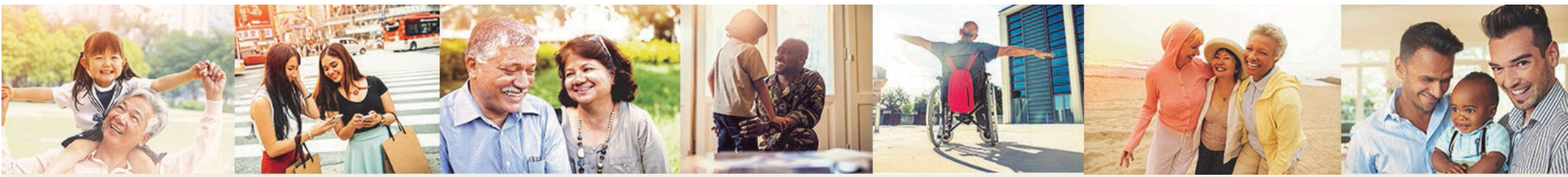
People who are no longer able to perform substantial work activity may qualify if they:

- have a medical condition that's expected to last at least one year or result in death,
- are younger than full retirement age (FRA) and earn less than the substantial gainful activity (SGA) limit,
- are blind and at least age 55 for certain individuals, and have earned a certain number of work credits.



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Supplemental Security Income (SSI)

What is it?

SSI is a federal program that provides monthly payments to people who have limited income and few resources.

Who is it for?

People who are 65 or older, as well as for those of any age, including children, who are blind or who have disabilities.



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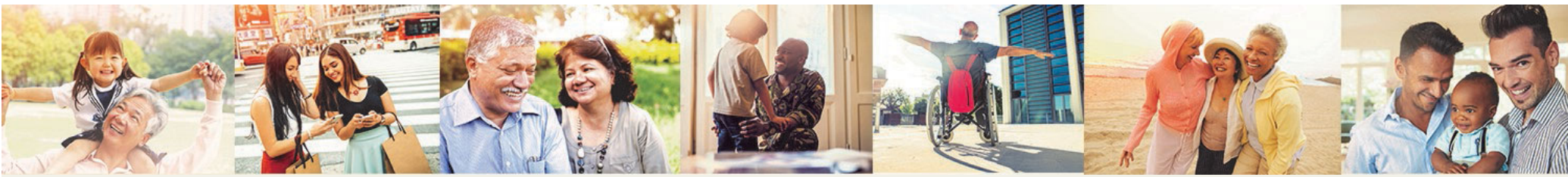
Survivor Eligibility Factors

Child	May receive benefits if not married and is under age 18 (or under age 19 if still in high school)
Disabled Child	May receive benefits beyond age 18 if not married and was disabled before age 22
Widow / Widower Or Divorced Widow/Widower	May 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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Survivor Benefits

When you pass away, your surviving spouse may:

At full retirement age, receive 100% of deceased worker's unreduced benefit; or,

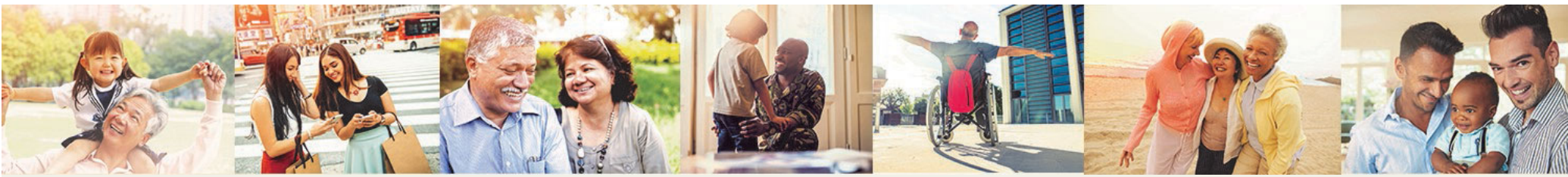
At age 60, receive 71.5% of your full benefit and increases each month you wait up to 100% if you start at full retirement age; or

Claim survivor benefits at any age between 60 and full retirement age.



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Auxiliary Benefits for Children

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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Other Survivor Benefits

- **Parents' Benefits** – For a parent who is age 62 and was receiving at least one-half of his or her financial support from the son or daughter who died.

- **Lump Sum Death Payment** – A surviving spouse or child may receive a one-time lump-sum death payment of \$255.00 if they meet certain requirements.

socialsecurity.gov/survivors



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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.



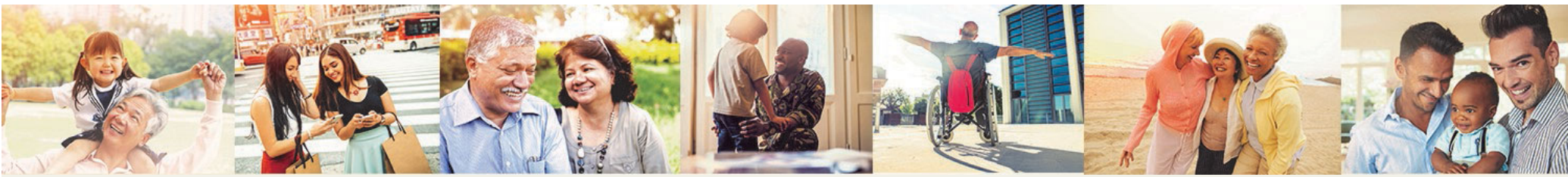
are married and file a separate tax return, you will probably pay taxes on your benefits

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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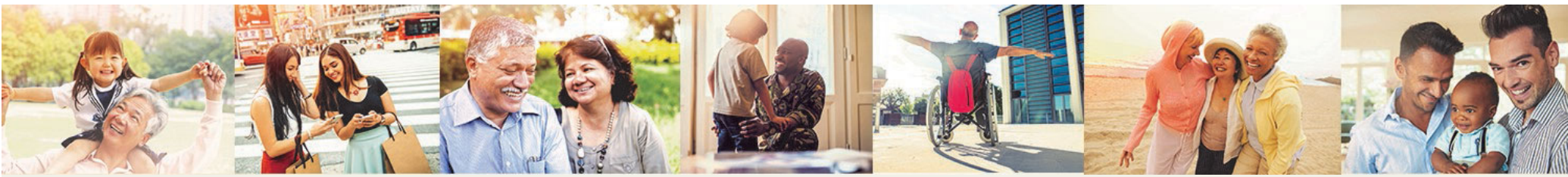
Taxation of Social Security Benefits

Your adjusted gross income
+ Nontaxable interest
+ 1/2 of your Social Security benefits
= Your "*combined income*"



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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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Medicare standard Part B premium for 2019

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

Modified Adjusted Gross Income (MAGI)	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	2019 standard premium \$135.50	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 + \$54.10	Your plan premium + \$12.40
Individuals with a MAGI above \$107,000 up to \$133,500 Married couples with a MAGI above \$214,000 up to \$267,000	Standard premium + \$135.40	Your plan premium + \$31.90
Individuals with a MAGI above \$133,500 up to \$160,000 Married couples with a MAGI above \$267,000 up to \$320,000	Standard premium + \$216.70	Your plan premium + \$51.40
Individuals with a MAGI above \$160,000 up to \$500,000 Married couples with a MAGI above \$320,000 up to \$750,000	Standard premium + \$297.90	Your plan premium + \$70.90
Individuals with a MAGI equal to or greater than \$500,000 Married couples with a MAGI equal to or greater than \$750,000	Standard premium + \$325.00	Your plan premium + \$77.40



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Extra Help Program

- Medicare beneficiaries may qualify for Extra Help with their Medicare prescription drug plan costs.
- Extra Help is estimated to be worth about \$4,900 per year.

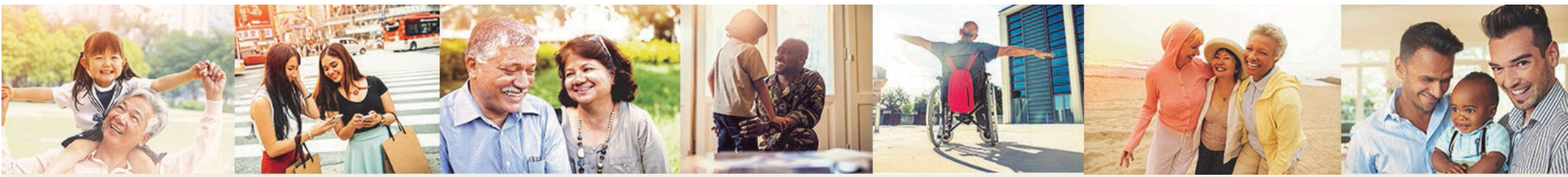


Find out if you qualify at socialsecurity.gov/extrahelp

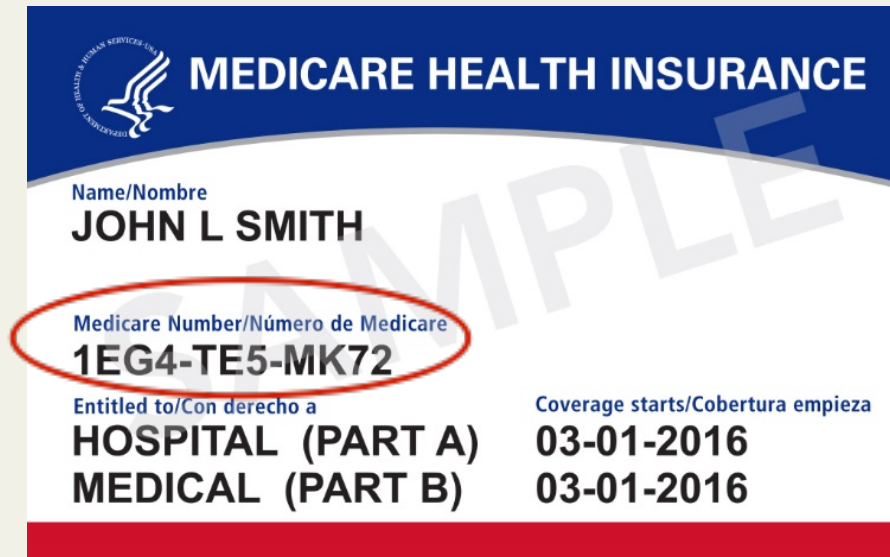


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Medicare Card



Your new card will have a new Medicare Number that's unique to you, instead of your Social Security number. This will help to protect your identity.



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Social Security in the Future

- The two Social Security trust funds – Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) will be able to pay all benefits in full and on time until 2035.
- The trust funds have reached the brink of asset reserve depletion in the past, but Congress made substantial modifications to avoid this.
- If Congress does not act before 2035, the trust funds will still be able to pay 80 percent of each benefit due.



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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: Child and survivor claims can only be done by phone or in a field office (not online) at this time.



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my Social Security



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Create your personal my Social Security account today

With your free, personal my Social Security account, you can receive personalized estimates of future benefits based on your real earnings, see your latest *Statement*, and review your earnings history. It even makes it easy to request a replacement Social Security Card or check the status of an application, all from the comfort of your home or office!

[CREATE AN ACCOUNT →](#)

[SIGN IN →](#)

[FINISH SETTING UP YOUR ACCOUNT →](#)



Social Security



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](#)

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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my Social Security Services

If you receive benefits or have Medicare, you can:

- Request a replacement Social Security card if you meet certain requirements;
- Report your wages if you work and receive Disability Insurance (SSDI) and/or Supplemental Security Income (SSI) benefits;
- 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;
- Request a replacement Medicare card; and
- Get a replacement SSA-1099 or SSA-1042S for tax season.



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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 a benefit verification letter as proof that you are not getting benefits;

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;

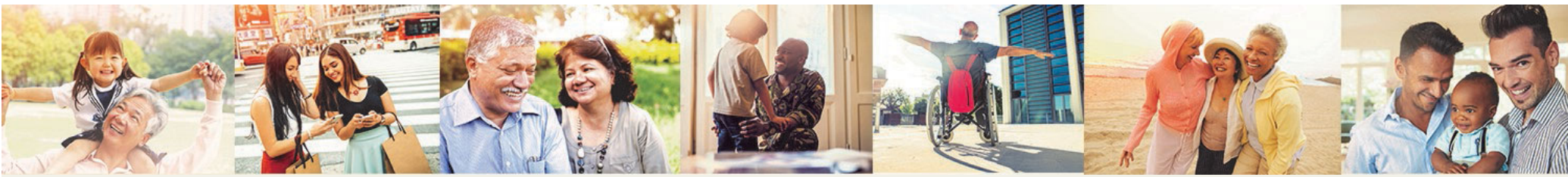
and

The estimated Social Security and Medicare taxes you've paid.



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How to Open a *my* Social Security Account

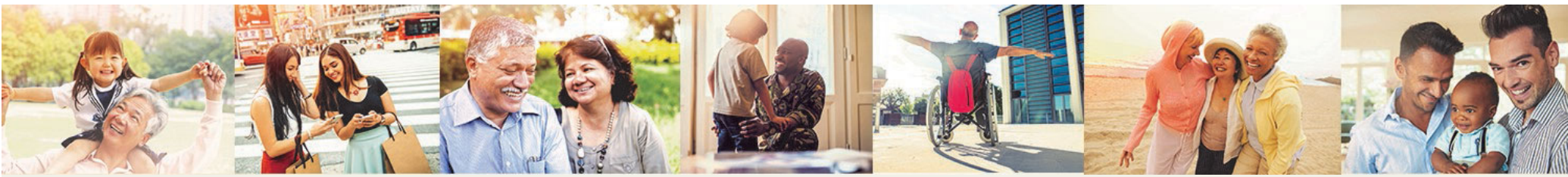
- 1 Visit *socialsecurity.gov/myaccount*
- 2 Select: “Sign In or Create an Account.”
- 3 Provide some personal information to verify your identity.
- 4 Choose a username and password, then select how you would like to receive a one-time security code to create your account.

*No matter what type of device you use, the *my* Social Security portal will automatically re-adjust to fit the appropriate screen size, providing you full, easy-to-use access to your personal account!*



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my Social Security

You can assist someone in creating a *my* Social Security account if they:

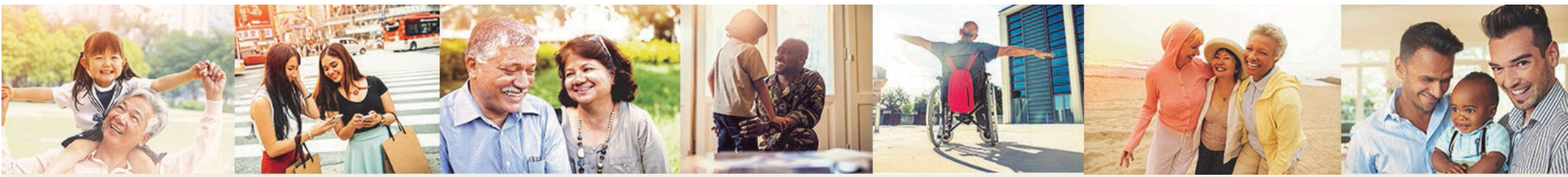
- are with you;
- have their own email address;
- can answer the “out of wallet”



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Questions; and

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my Social Security

You can visit your local field office to obtain a unique activation code.

You will need to bring in proof of identity in one of the following forms (must be current):

- State driver's license or identity card;
- U.S. passport or passport card;
- U.S. military identification; or
- U.S. government employee identification card.



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Q&A session



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



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