



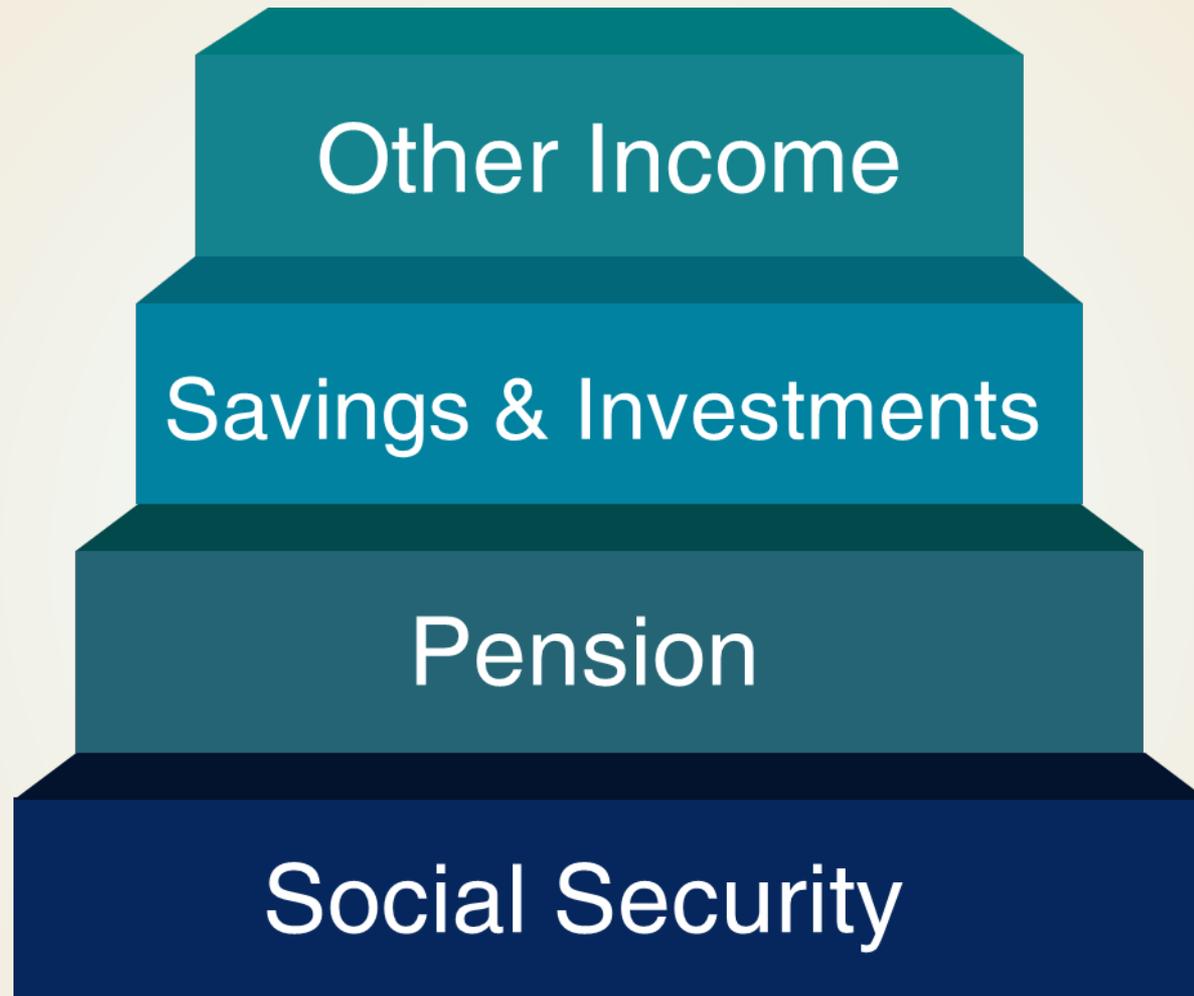
Social Security: With You Through Life's Journey...



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June 2023





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[SSA.gov](https://www.ssa.gov)

SS Replaces a Portion of Your Work Income



A weighed formula is used to determine replacement rate



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How Do You Qualify for Retirement Benefits?

- By earning enough “credits” when you work and pay into Social Security (FICA = SS and Medicare contributions);
 - FICA: You contribute 7.65% of your gross earnings & employer matches;
- You need 40 credits (10 years of SS work) and you must be 62 or older;
- Each \$1,640 in SS earnings gives you one credit;
- You can gather a maximum of 4 credits per year (4 X 10 yrs = 40 credits);
- In 2023, 4 credits = \$6,560.00 ($\$1,640 \times 4 = \$6,560$).

ssa.gov/planners/credits.html



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How Social Security Determines Your Benefit

Benefits are based on your earnings

...not just how long you pay in, but also your salary rate...

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”

ssa.gov/OACT/COLA/Benefits.html



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Benefits Chart by Age

Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	Reduction is permanent when you take your Benefit prior to Full Retirement Age
1943-1954	66	25%	
1955	66 and 2 months	25.83%	
1956	66 and 4 months	26.67%	
1957	66 and 6 months	27.5%	
1958	66 and 8 months	28.33%	
1959	66 and 10 months	29.17%	
1960 +	67	30%	

ssa.gov/oact/quickcalc/earlyretire.html

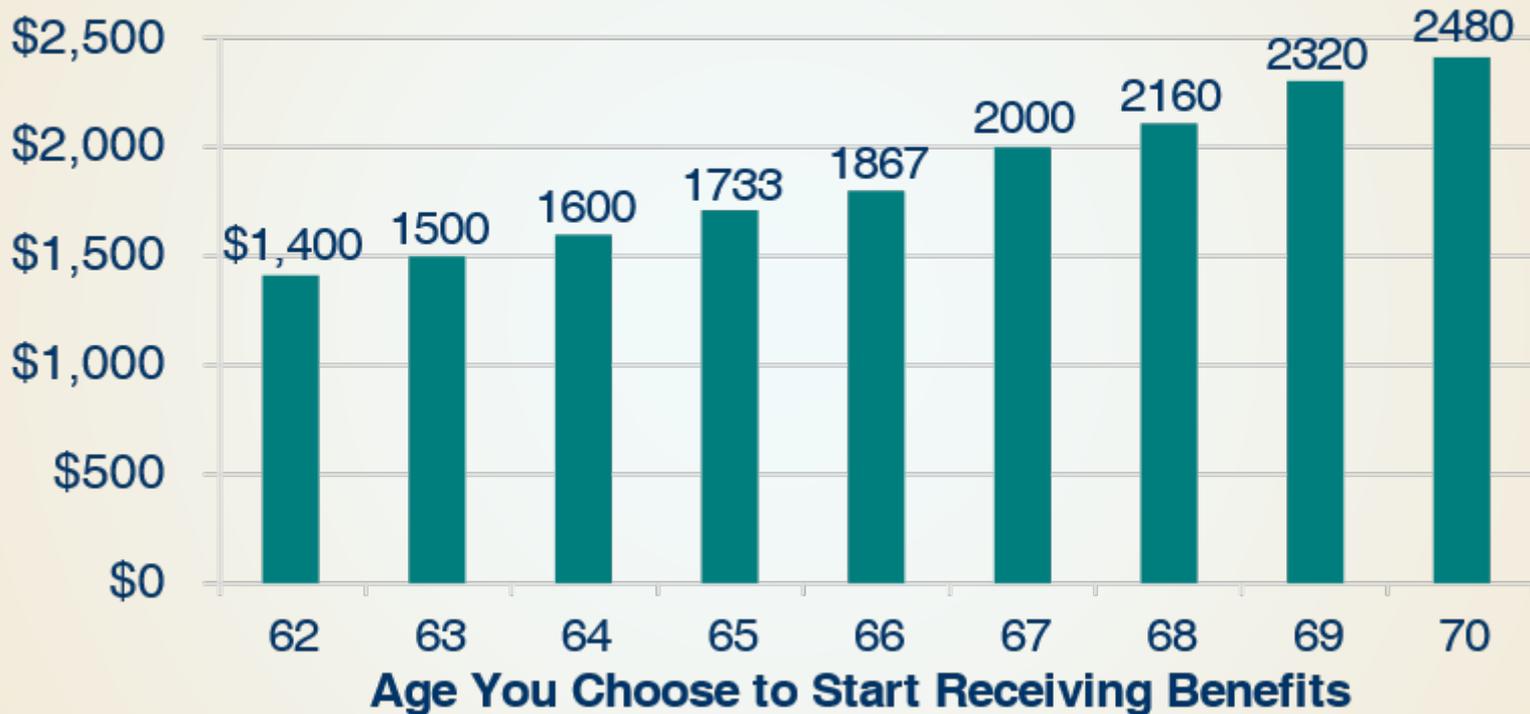


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What Is the Best Age to Start Receiving Social Security Retirement Benefits?

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



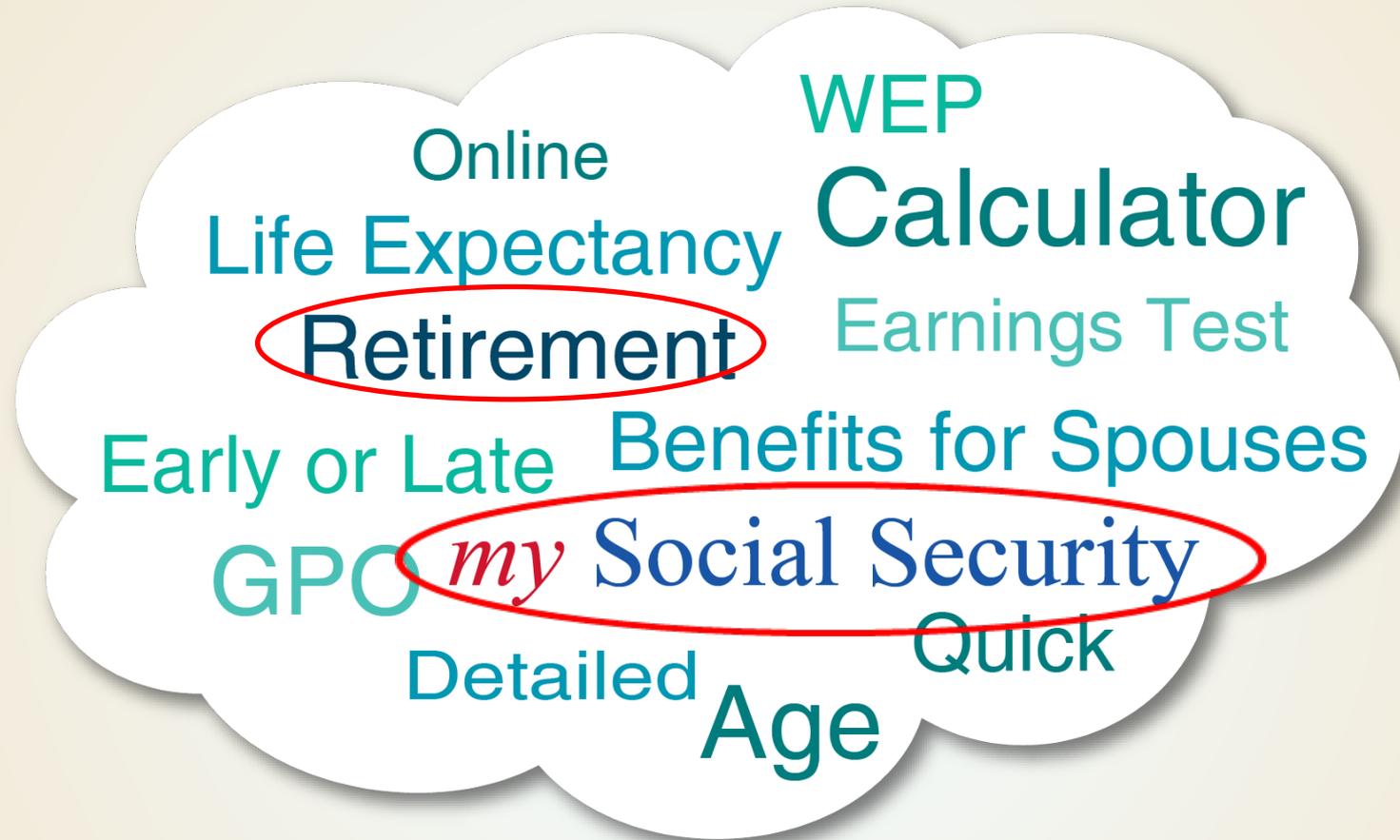
Note: This example assumes a benefit of \$2,000 at a full retirement age of 67



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Social Security's Online Calculators



ssa.gov/planners/calculators



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 [What should I do if I get a call claiming there's a problem with my Social Security number or account?](#)



Social Security

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Prepare

Check eligibility for benefits

Plan for retirement



Apply

Apply for benefits

Sign up for Medicare

After you apply

Check application or appeal status

Appeal application decision



Feedback

Manage benefits & information



Documents

Get benefit verification letter

Get tax form (1099/1042s)



Number & card

Replace card

Request number for the first time

Report stolen number



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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	\$21,240/yr.	\$1 for every \$2
The Year Full Retirement Age is Reached	\$56,520/yr. before month of full retirement age	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

*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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Retirement Earnings Test Calculator
ssa.gov/OACT/COLA/RTeffect.html

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Will I pay federal taxes on my 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.



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WEP & GPO

- Windfall Elimination Provision:
 - Applies when you have 40 credits plus a non-covered pension* and you're filing for retirement or disability benefits
- Government Pension Offset:
 - Applies when you are receiving a non-covered pension* and filing for spouses, widow's and widower's benefits

**a pension based on work for which you did not pay Social Security taxes*

ssa.gov/planners/retire/wep.html



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What is WEP?

- A provision that can affect how we calculate your retirement or disability benefit.
- If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any pension (including ORP) you get from that work can reduce your Social Security benefits.
- WEP uses a formula to adjust the Social Security benefits for people who receive “non-covered pensions” and qualify for Social Security benefits based on other Social Security-covered earnings.

ssa.gov/planners/retire/wep.html



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The Windfall Elimination Provision (1983)

- Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers:



- They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes;
- Congress passed the Windfall Elimination Provision in 1983 to remove that advantage.

ssa.gov/planners/retire/wep.html



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WEP Calculator

If you have a pension from work not covered by Social Security, the online WEP calculator allows you to estimate your Social Security benefit using your SS earnings history shown on your online *Social Security Statement*.

You also need to enter the monthly amount of your pension that was based on work not covered by Social Security.

ssa.gov/planners/retire/anyPiaWepjs04.html

Important: When using calculator, use the **TAB** key when entering earnings. Otherwise, it will use the wrong indexing factor and give an incorrect answer.



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Exception to the WEP

Years of Substantial Earnings	% of First Factor You Receive
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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Yearly Earnings Amount Considered *Substantial*

Year	Substantial earnings
1937–1954	\$900
1955–1958	\$1,050
1959–1965	\$1,200
1966–1967	\$1,650
1968–1971	\$1,950
1972	\$2,250
1973	\$2,700
1974	\$3,300
1975	\$3,525
1976	\$3,825
1977	\$4,125
1978	\$4,425
1979	\$4,725
1980	\$5,100
1981	\$5,550
1982	\$6,075
1983	\$6,675
1984	\$7,050
1985	\$7,425
1986	\$7,875
1987	\$8,175
1988	\$8,400
1989	\$8,925

Year	Substantial earnings
1990	\$9,525
1991	\$9,900
1992	\$10,350
1993	\$10,725
1994	\$11,250
1995	\$11,325
1996	\$11,625
1997	\$12,150
1998	\$12,675
1999	\$13,425
2000	\$14,175
2001	\$14,925
2002	\$15,750
2003	\$16,125
2004	\$16,275
2005	\$16,725
2006	\$17,475
2007	\$18,150
2008	\$18,975
2009–2011	\$19,800
2012	\$20,475
2013	\$21,075
2014	\$21,750

Year	Substantial earnings
2015–2016	\$22,050
2017	\$23,625
2018	\$23,850
2019	\$24,675
2020	\$25,575
2021	\$26,550
2022	\$27,300
2023	\$29,700

In 2023, gross earnings of \$29,700.00/yr. or more counts as substantial for WEP purposes.



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Normal Benefit Computation Example (2023)

If a person's average indexed monthly earnings (AIME) = **\$2,500**
 Then their monthly benefit would be = **\$1,446.70**

You are paid:

90% of first \$1,115 ($\$1,115 \times .90 = \$1,003.50$)	\$1,115 =	\$1,003.50
32% of earnings between \$1,115 and \$6,721 ($\$2,500 - \$1,115 = \$1,385$) ($\$1,385 \times .32 = 443.20$)	\$1,385 =	+ \$443.20 +
15% of earnings over \$6,721	\$0 =	\$0
Total monthly benefit	\$2,500	= \$1,446.70

*Figures in green change every year.



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WEP Benefit Computation Example (2023)

If a person's average indexed monthly earnings (AIME) = \$2,500

Then their monthly benefit would be = \$1,446 **\$889**

You are paid:

90% 40% of First \$1,115 (\$1115 x .40 = \$446)	\$1,115 =	\$1,003.50 \$446.00 +
32% of earnings between \$1,115 and \$6,721 (\$2,500 - \$1,115 = \$1,385) (\$1385 x .32 = \$443.20)	\$1,385 =	\$443.20 +
15% of earnings over \$6,721	\$0 =	\$0
Total monthly benefit	\$2,500	\$1446.70 = \$889.20



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Who Can Get Benefits As A Spouse?

Comparable lifetime SS wage earners will probably not be eligible :

- **Eligible only if your own SS is less than 50% of theirs;**
- **You would get your SS plus an amount on your spouse which would bring your total benefit to be equal to $\frac{1}{2}$ of your spouses's;**

*Example: Your spouse's SS benefit = \$1000/mo.
Your SS benefit = \$400/mo.*

Combined max you can receive is \$500/mo. ($\frac{1}{2}$ of your spouse's)

You would receive your \$400 + \$100 on spouse = \$500 ($\frac{1}{2}$ of spouse's)

- **Does not reduce spouse's benefit amount;**
- **Spouse must be collecting for you to draw on their record: *Deemed filing***
 - *Applies when filing at any age for people who turned age 62 after January 1, 2016.*



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ssa.gov/planners/retire/yourspouse.html

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Spouse vs. Surviving Spouse Benefits

Spouse (living)	Surviving Spouse (deceased)
May start as early as age 62	May start as early as age 60 or as early as 50 if disabled
50% if you wait until FRA or later	71.5% at age 60, increases each month you wait
Less than 50% if you start before FRA (reduction for each month you take benefit early)	100% if you start at FRA or later

Remember: If you are working & are not FRA, earnings may affect ability to draw benefits.



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ssa.gov/planners/survivors/ifyou.html#h6

SSA.gov



➤ Only widows(ers) can take a benefit (on own record or on deceased spouse' record) then switch to a higher benefit later.

Example: You can take a widows(ers) benefit as early as 60, then switch to your own retirement record as soon as that benefit amount is higher.

OR

You can take your retirement as early as age 62, then switch to surviving spouse's at full retirement age if benefit is higher.

Remember: If you are working & are not FRA, earnings may affect ability to draw benefits.



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Benefits for Divorced Spouses

You might receive benefits on your former spouse's record (even if he/she has remarried) if:

- Benefit you would receive based on your own SS work is less than 50% of theirs and:
- Marriage lasted at least 10 years;
- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is at least 62 & eligible for SS retirement or disability benefits (he/she does not have to be collecting).

ssa.gov/planners/retire/yourdivspouse.html



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Why are Spouse and Survivor Benefits Reduced?

- Benefits we pay to spouses and widow(er)'s are “dependent” benefits, originally designed to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse.
- The law requires a \$ for \$ offset on any spousal benefit due after your own SS benefit is counted.
- GPO works similarly but actually, the offset is less!



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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 spouses, widows, or widowers benefit may be reduced.

2/3 of the gov pension is used to determine if you are eligible for a benefit on your spouse's SS record.



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How GPO works

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

Example:

\$2,100 non-covered pension, $2/3 = \$1,400$

Social Security spouse's benefits = \$1,150

No benefit payable by Social Security

Our Online GPO calculator allows you to estimate your Social Security benefit.

ssa.gov/calc-gpo



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How GPO works (continued)

2/3 of amount of non-covered pension will be used to reduce the Social Security widow or widower's benefit.

Example:

\$2,100 non-covered pension, $2/3 = \$1,400$

Social Security widow or widower's benefits = \$2,300

Widow or widower's benefit after GPO = \$900

Our Online GPO calculator allows you to estimate your Social Security benefit.

ssa.gov/calc-gpo



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my Social Security



Social Security

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Account

Create your personal *my* Social Security account today

A free and secure *my* Social Security account provides personalized tools for everyone, whether you receive benefits or not. You can use your account to request a replacement Social Security card, check the status of an application, estimate future benefits, or manage the benefits you already receive.

Create an Account

Sign In

[Finish Setting Up Your Account](#)



ssa.gov/myaccount



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my Social Security Services

What you can do with your account:

- Request a replacement Social Security card if needed;
- When you file for SS benefits online, you can track status of your claim.

For those who will get a government pension, use your account to:

- View your **Social Security Statement**:
 - See if you have 40 credits for Social Security eligibility;
 - Review your SS earnings record to make sure earnings are accurate;
 - See your SS earnings history to use on the WEP calculator;

***Please ignore the benefit estimates you will see on the benefit statement – those Do Not Include WEP Reductions.**



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ssa.gov/myaccount/what.html

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Your Social Security Statement

WANDA WORKER

October 2, 2021

Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn "credits" through your work—up to four each year. Your full retirement age is 67, based on your date of birth: April 10, 1960. As shown in the chart, you can start your benefits at any time between ages 62 and 70. For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.

These personalized estimates are based on your earnings to date and assume you continue to earn \$51,995 per year until you start your benefits. To learn more about retirement benefits, visit ssa.gov/benefits/retirement/learn.html.

Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



Disability Benefits

You have earned enough credits to qualify for disability benefits. If you are disabled, you may be eligible for monthly payments.

Survivors Benefits

You have earned enough credits for your eligible family members for survivors benefits. If you die this year, your family who may qualify for:

- Minor child: **\$2,129**
- Spouse, if caring for a disabled child or child younger than age 16: **\$2,129**
- Spouse, if benefits start at full retirement age: **\$2,838**

Total family benefits cannot be more than: **\$4,968**

Your spouse or minor child may be eligible for an additional one-time death benefit of \$255.

Medicare

You have enough credits to qualify for Medicare at age 65. Medicare is the federal health insurance program for:

- people age 65 and older,
- under 65 with certain disabilities, and
- people of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit medicare.gov or ssa.gov/medicare or call **1-800-MEDICARE (1-800-633-4227)** (TTY 1-877-486-2048).

We base benefit estimates on current law, which Congress has revised before and may revise again to address needed changes. Learn more about Social Security's future at ssa.gov/ThereForMe.

Earnings Record

Review your earnings history below to ensure it is accurate. This is important because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings, but you can view them online with [my Social Security](https://my.ssa.gov). If you find an error view your full earnings record online and call 1-800-772-1213.

Work Year	Earnings Taxed for Social Security	Earnings Taxed for Medicare (began 1966)
1971-1980	\$ 20,000	\$ 20,000
1981-1990	41,250	41,250
1991-2000	257,712	257,712
2001	34,915	34,915
2002	35,591	35,591
2003	36,717	36,717
2004	38,686	38,686
2005	40,325	40,325
2006	42,315	42,315
2007	44,346	44,346
2008	45,437	45,437
2009	44,784	44,784
2010	45,847	45,847
2011	47,146	47,146
2012	48,349	48,349
2013	48,606	48,606
2014	49,860	49,860
2015	50,850	50,850
2016	50,158	50,158
2017	50,440	50,440
2018	50,653	50,653
2019	50,957	50,957
2020	51,995	51,995
2021	Not yet recorded	

Taxes Paid

Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record:

Social Security taxes	Medicare taxes
You paid: \$34,288	You paid: \$19,396
Employer(s): \$36,003	Employer(s): \$19,396

Earnings Not Covered by Social Security

You may also have earnings from work not covered by Social Security. This work may have been for federal, state, or local government or in a foreign country.

If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. To find out more, visit ssa.gov/gpo-wap.

Important Things to Know about Your Social Security Benefits

- Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
- You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 35 years of earnings. If you have fewer than 35 years of earnings, years without work count as 0 and may reduce your benefit amount.
- We use cost of living adjustments so your benefits will keep up with inflation.
- The age you claim benefits will affect the benefit amount for your surviving spouse.
- If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
- If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse's record. If your divorced spouse receives benefits on your record, that does not affect your or your current spouse's benefit amounts.
- When you apply for either retirement or spousal benefits, you may be required to apply for the other benefit as well.
- For more information about benefits for you and your family, visit ssa.gov/benefits/retirement/planner/applying7.html.
- When you are ready to apply, visit us at ssa.gov/benefits/retirement/apply.html.
- The *Statement* is updated annually. It is available upon request, either online or by mail.

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Form SSA-7005-SM-OL (05/21)



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my Social Security Services

Once you receive benefits or have Medicare, you can:

- Request a replacement Social Security card;
- 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;
- Submit your advance designation of representative payee request;
- Request a replacement Medicare card; and
- Get a replacement SSA-1099 or SSA-1042S for tax season.

ssa.gov/myaccount/what.html



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How to Apply for Benefits



File online for Retirement, Spousal, Disability or Medicare benefits
(The Survivor Benefit application is not available online).

Go to WWW.SOCIALSECURITY.GOV



Schedule an appointment at 1-800-772-1213
(Call 8 a.m. – 7 p.m. Monday – Friday)



For future questions, call 1-800-772-1213
(Open 8 a.m. – 7 p.m. Monday – Friday)



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Original Medicare

vs.

Medicare Advantage (aka Part C)

One premium; depends on plan; includes all services:

Part A (Hospital Ins. covers about 80%)

Part B (Medical Ins. covers about 80%)

*Part B Cost is \$164.90/mo. in 2023

Part A (Hospital Insurance)

Part B (Medical Insurance)

You can add:

Part D (Prescription Drug Plan)

*Part D Cost depends on plan you choose

Most plans include:

Part D (Prescription Drug Plan) & extra benefits like vision, hearing, dental, etc.

You can also add:

Supplemental insurance coverage (Medigap) *Cost depends on plan you choose

Some plans also include:

Lower out-of-pocket costs



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

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

Medicare Enrollment Periods

Enrollment Period:	When the period occurs:
Initial Enrollment Period – Your first opportunity to enroll	3 months before you turn age 65, the month you turn age 65, and 3 months after you turn age 65
General Enrollment Period	Annually, January 1 – March 31
Special Enrollment Period	During any month you remain covered under the group health plan and your, or your spouse's, <u>current employment continues</u> ; or In the eight-month period that begins with the month your group health plan coverage or the current employment it is based on ends, whichever comes first.



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Medicare Part B Coverage - IEP

Beginning in 2023, if you enroll in the month of your Initial Enrollment Period:	Your Part B Medicare coverage starts:
One to three months before you reach age 65	The month you turn age 65
The month you reach age 65, or one to three months after you reach age 65	The first day of the month after you sign up



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Medicare Part B Coverage - SEP

If you enroll in the month of your Special Enrollment Period:	Your Part B Medicare coverage starts:
Any time while you or your spouse have a group health plan based on current employment, or during the first full month you are no longer covered or employed	<ul style="list-style-type: none">• On the first day of the month you enroll, or• By your choice, on the first day of any of the following 3 months
During any of the remaining 7 months of the SEP	The first day of the month after you sign up.



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Medicare Part B Coverage - GEP

Beginning in 2023, if you enroll in the month of the General Enrollment Period:

January 1 to March 31 (You might pay a late enrollment penalty)

Your Part B Medicare coverage starts:

The first day of the month after you sign up



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Medicare Standard Part B Premiums for 2023

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 plan monthly premium amount
Individuals with a MAGI of \$97,000 or less Married couples with a MAGI of \$194,000 or less	2023 standard premium = \$164.90	Your plan premium + \$0
Individuals with a MAGI above \$97,000 up to \$123,000 Married couples with a MAGI above \$194,000 up to \$246,000	Standard premium + \$65.90	Your plan premium + \$12.20
Individuals with a MAGI above \$123,000 up to \$153,000 Married couples with a MAGI above \$246,000 up to \$306,000	Standard premium + \$164.80	Your plan premium + \$31.50
Individuals with a MAGI above \$153,000 up to \$183,000 Married couples with a MAGI above \$306,000 up to \$366,000	Standard premium + \$263.70	Your plan premium + \$50.70
Individuals with a MAGI above \$183,000 up to \$500,000 Married couples with a MAGI above \$366,000 up to \$750,000	Standard premium + \$362.60	Your plan premium + \$70.00
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 + \$395.60	Your plan premium + \$76.40



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