



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

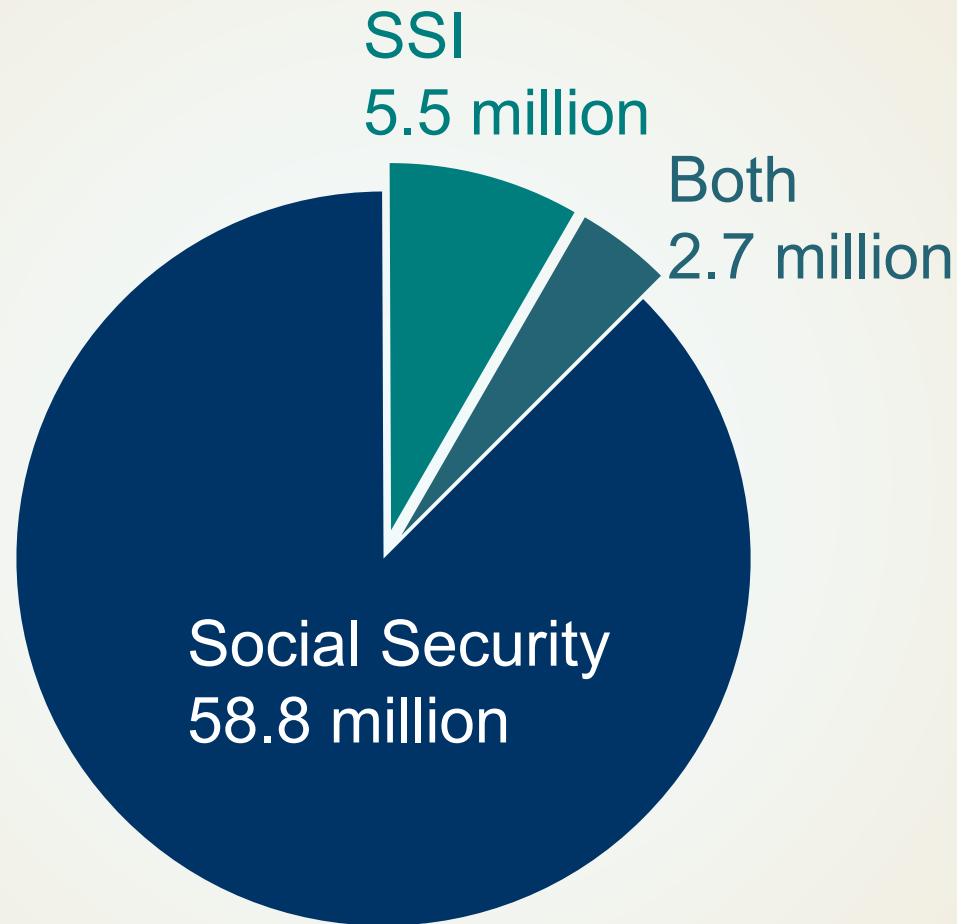


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Produced at U.S. taxpayer expense

Social Security Beneficiaries



December 2017



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We Wouldn't Miss Your Retirement Party



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Did You Know?



As of December 2017, **42.4 million retired workers** were receiving **59.6 billion dollars** in Social Security benefits per month.



At the same time, **3 million dependents** of retired workers were receiving **2.2 billion dollars** in monthly Social Security benefits.



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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.



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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”

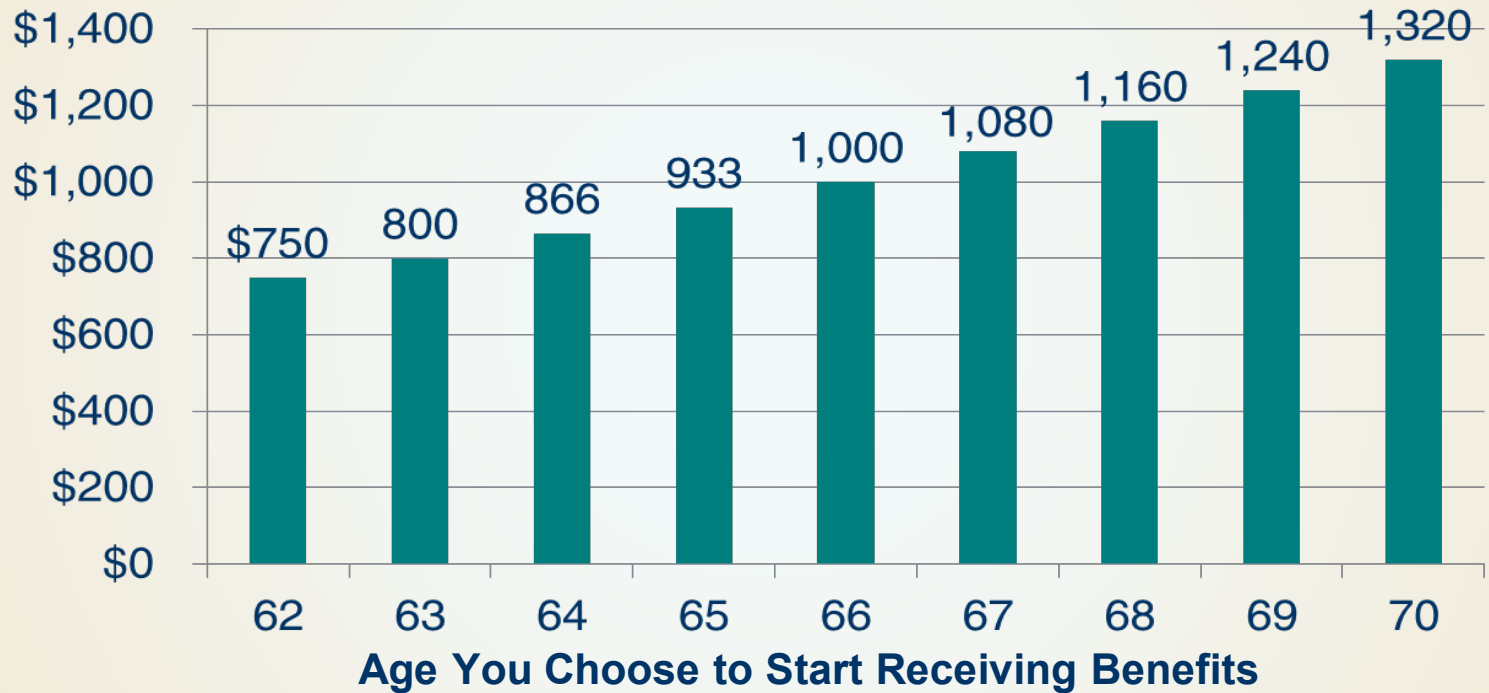


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What Is the Best Age to Start Receiving Social Security Retirement Benefits?

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



Note: This example assumes a benefit of \$1,000 at a full retirement age of 66



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Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	A \$500 spouse benefit taken at age 62 would be reduced by
1943-1954	66	25%	30%
1955	66 and 2 months	25.83%	30.83%
1956	66 and 4 months	26.67%	31.67%
1957	66 and 6 months	27.5%	32.5%
1958	66 and 8 months	28.33%	33.33%
1959	66 and 10 months	29.17%	34.17%
1960 +	67	30%	35%



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Online Calculators

Online
Life Expectancy
Retirement
Early or Late
GPO
Quick
Detailed
Age

WEP
Calculator
Earnings Test
Benefits for Spouses
Estimator



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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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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 for every \$2
The Year Full Retirement Age is Reached	\$45,360/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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For People Younger Than Full Retirement Age During 2018

If your monthly Social Security Benefit is	And you earn	You'll receive yearly benefits of
\$700	\$17,040 or less	\$8,400
\$700	\$18,000	\$7,920
\$700	\$20,000	\$6,920

Note: Chart above for illustrative purposes only



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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 reached 62 after 1985; or
- You became disabled after 1985; and
- You first became 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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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.

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

$$\begin{aligned} &\text{Your adjusted gross income} \\ &+ \text{Nontaxable interest} \\ &+ \underline{\frac{1}{2} \text{ of your Social Security benefits}} \\ &= \text{Your "*combined income*" } \end{aligned}$$



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We're There For Your Wedding



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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



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Benefits for Divorced Spouses

You can 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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Voluntary Suspension

If you take your retirement benefit and then ask to suspend it to earn delayed retirement credits, your spouse or dependents (excluding divorced spouses) generally will not be able to receive benefits on your Social Security record while your own benefits are suspended.

socialsecurity.gov/planners/retire/suspendfaq.html



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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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We're There If You Lose Your Soulmate



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Survivor Eligibility Factors

Child	Can receive benefit if not married and is 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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Survivor Benefits

When you pass away, your surviving spouse can:

- Receive 100% of your full benefit if full retirement age; 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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Other Survivor Benefits

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

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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 and other conditions are met

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 and other conditions are met



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You can switch to retirement as early as age 62 if that benefit is higher than your widows benefit.



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Medicare

Part A = Hospital Insurance

Part B = Medical Insurance

Part C = Medicare Advantage Plans

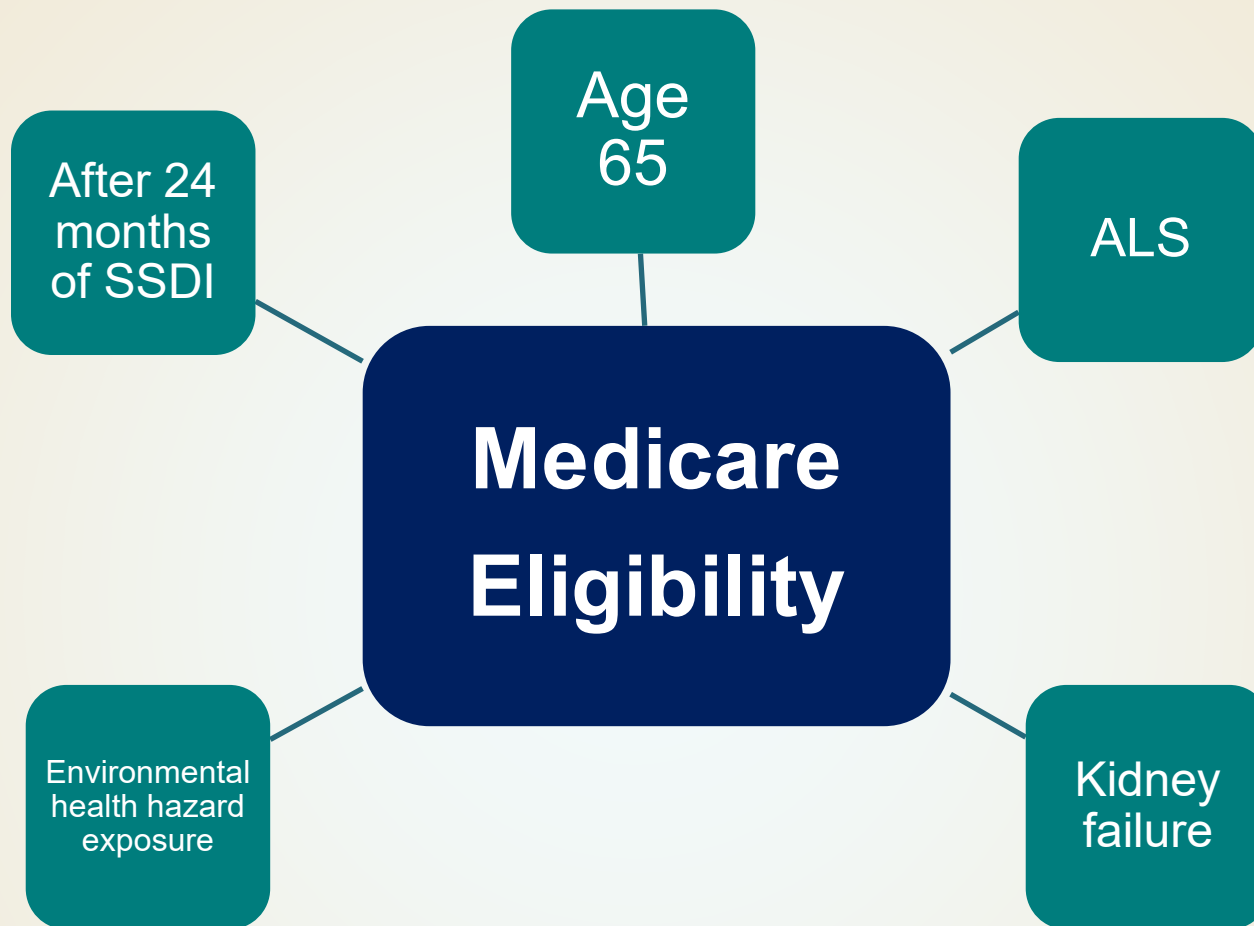
Part D = Prescription Drug Plans

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



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Initial Enrollment Period

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

Medicare Enrollment

General Enrollment Period

January 1 – March 31

Special Enrollment Period

If 65 or older and covered under a group health plan based on your – or your spouse's – current work.



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Medicare Part B Coverage

If you enroll in this month of your initial enrollment period:	Then your Part B Medicare coverage starts:
One to three months before you reach age 65	The month you reach age 65
The month you reach age 65	One month after the month you reach age 65
One month after you reach age 65	Two months after the month of enrollment
Two or three months after you reach age 65	Three months after the month of enrollment



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Medicare standard Part B premium for 2018 is \$134

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	2018 standard premium \$134.00	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 + \$53.50	Your plan premium + \$13.30
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 + \$133.90	Your plan premium + \$33.60
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 + \$214.30	Your plan premium + \$54.20
Individuals with a MAGI above \$160,000 Married couples with a MAGI above \$320,000	Standard premium + \$294.60	Your plan premium + \$76.20



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We're With You If The Unexpected Happens



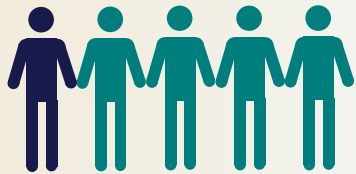
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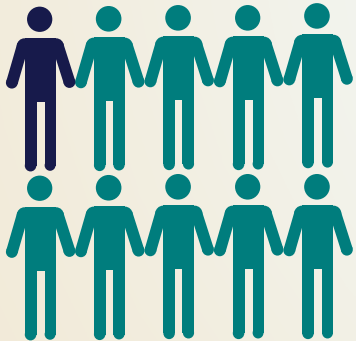
Disability Benefit Statistics



As of December 2017, Social Security paid an average monthly **disability benefit of \$1,059.63**. That's barely enough to keep a beneficiary above the poverty level (\$12,140 annually).



According to the U.S. Census Bureau, **56.7 million** people living in the United States - 19% of the population - live with a **disability**.



38.3 million people - 13% of the population - live with a **severe disability**.



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Social Security Disability Insurance (SSDI)

What is it?

SSDI is a social insurance program under which workers earn coverage for benefits, by working and paying Social Security taxes on their earnings.

Who is it for?

Disabled people younger than 65 who can't work because they have a medical condition that's expected to last at least one year or result in death 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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SSDI vs. SSI

Social Security Disability Insurance	Supplemental Security Income
Payments come from the Social Security trust funds and are based on a person's earnings.	Payments come from the general treasury fund, NOT the Social Security trust funds. SSI payments are not based on a person's earnings.
An insurance that workers earn by paying Social Security taxes on their wages.	A needs-based public assistance program that does not require a person to have work history.
Pays benefits to disabled individuals who are unable to work, regardless of their income and resources.	Pays disabled individuals who are unable to work AND have limited income and resources.
Benefits for workers and for adults disabled since childhood. Must meet insured status requirements.	Benefits for children and adults in financial need. Must have limited income and limited resources.



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Wounded Warriors & Veterans

Wounded warriors and veterans with 100% Permanent & Total disability ratings from the VA may be able to get expedited medical decisions on SSDI and SSI applications.



socialsecurity.gov/veterans



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What do I need to know about the VA and Social Security programs?

Both Social Security and VA pay disability benefits. However, their programs, processes, and criteria for receiving benefits are very different.

A VA compensation rating of 100% Permanent and Total does not guarantee that you will receive Social Security disability benefits. To be approved for Social Security benefits, you must meet Social Security's definition of "disability." To be found disabled:

- **You must be unable to do substantial work because of your medical condition(s); and**
- **Your medical condition(s) must have lasted, or be expected to last, at least one year or to result in death.**

If you receive VA compensation, this will not affect your Social Security benefits.



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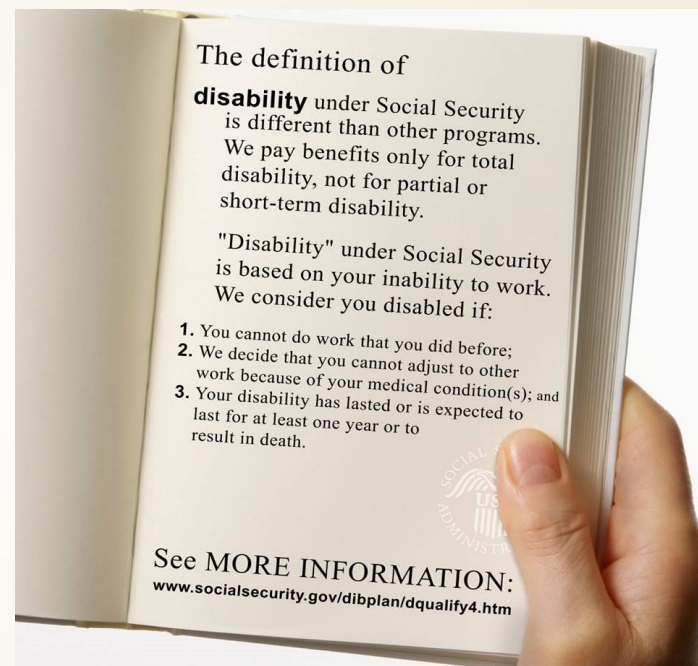
[SocialSecurity.gov](https://www.SocialSecurity.gov)



What is Substantial Gainful Activity?

Work is “substantial” if it involves doing significant physical or mental activities or a combination of both.

If your impairment is anything other than blindness, earnings averaging over \$1,180 a month for 2018 generally demonstrate SGA.



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Onset Date

- ☐ The Onset Date is the first day the individual meets the definition of disability.
- ☐ The Alleged Onset Date is always the date the applicant alleges they became unable to work because of their medical condition. This is a starting point for Social Security. The date could change due to other circumstances.
- ☐ If there's work activity after that date, the onset date may be different
- ☐ Sometimes, in that instance, a Work Activity Form may need to be completed to evaluate the work.



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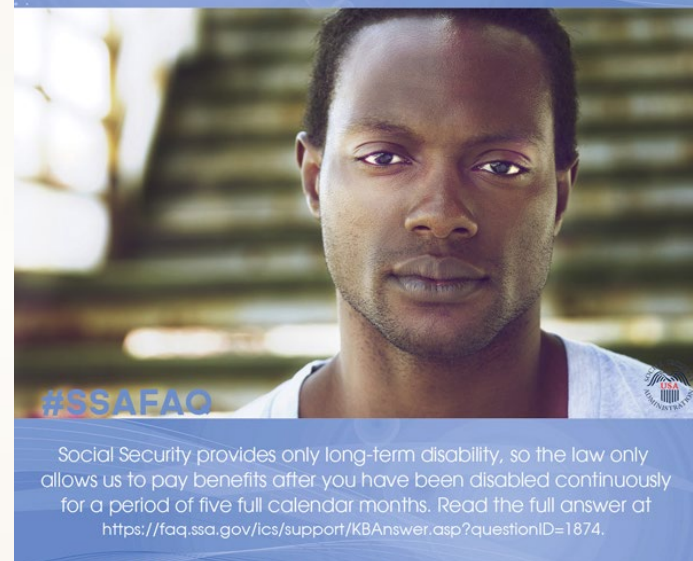
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SSDI has a Five Month Waiting Period

- ❑ **A five-month waiting period applies to all SSDI beneficiaries**
- ❑ **Payment begins the sixth full month after the date we find your disability began**
- ❑ **For example, if your disability began on June 15, 2016, your first benefit would be paid for the month of December 2016, the sixth full month of disability.**
- ❑ **Benefits are paid a month behind. So, the December benefit would be paid in January 2017.**

Why is there a five-month waiting period for Social Security disability benefits?



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Retroactivity for SSDI

A person may be eligible for up to 12 months of retroactive benefits

Example:

Disability began on 09/10/2012. Five month waiting period makes the first month of eligibility 03/2013. However, beneficiary doesn't file until 01/22/2015. If approved, we cannot pay all the way back to 03/2013, only back one year to 01/2014.



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If Claim is Allowed

We send an award notice that explains:

- ☐ **When benefits start and monthly benefit amount**
- ☐ **Reporting Responsibilities (examples: work activity, medical improvement)**
- ☐ **When the case will be reviewed**
- ☐ **What to do if questions**



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If Claim is Denied

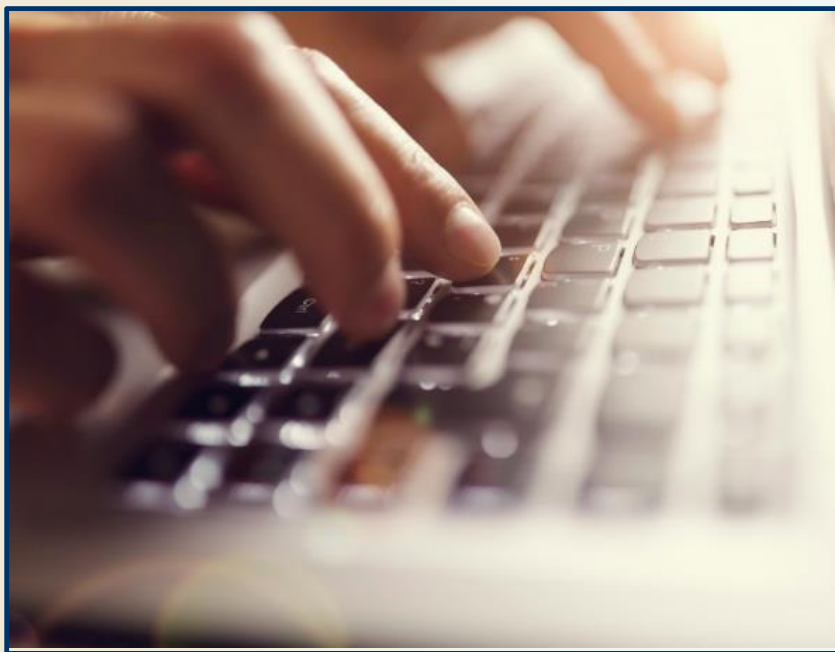
- ☐ We send a letter explaining our decision
- ☐ The decision can be appealed within 60 days after the notice is received
- ☐ At the appeal, if anything has changed the application can be updated



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Disagree With The Medical Decision?



If you recently applied for Social Security or Supplemental Security Income disability benefits and were denied for medical reasons, you can file an appeal online and check the status with your personal *my* Social Security account.



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Applying for Benefits

3 options available to apply:



Online



By phone 1-800-772-1213



At our office

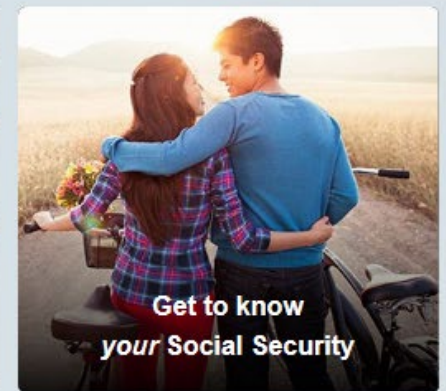
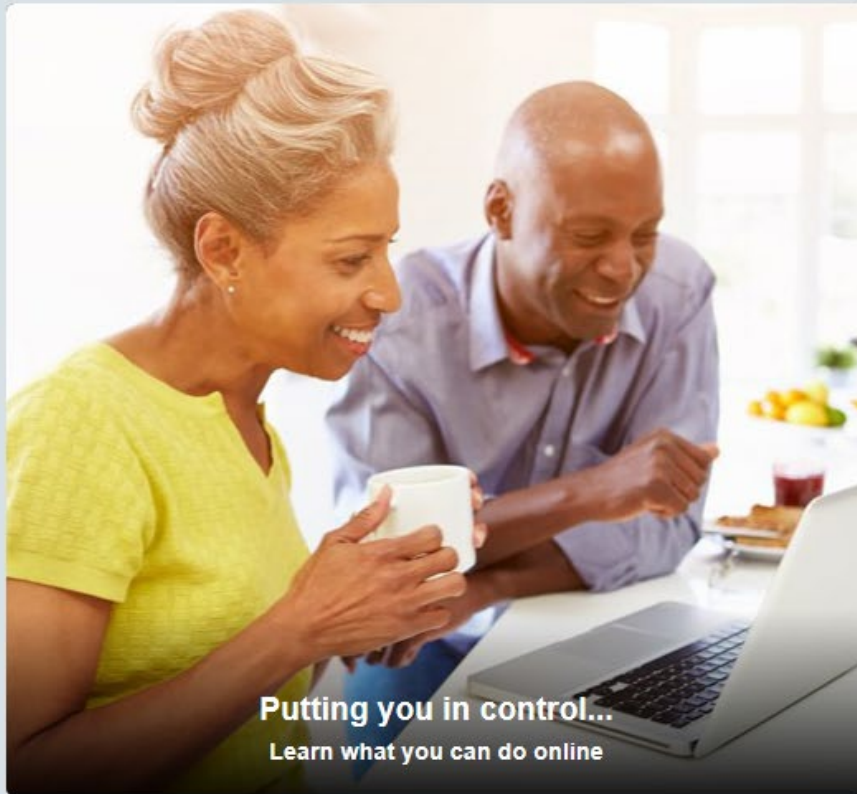
You choose the most convenient option for you!

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

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



Social Security Number

Your Social Security number remains your first and continuous link with Social Security.



Retirement Estimator

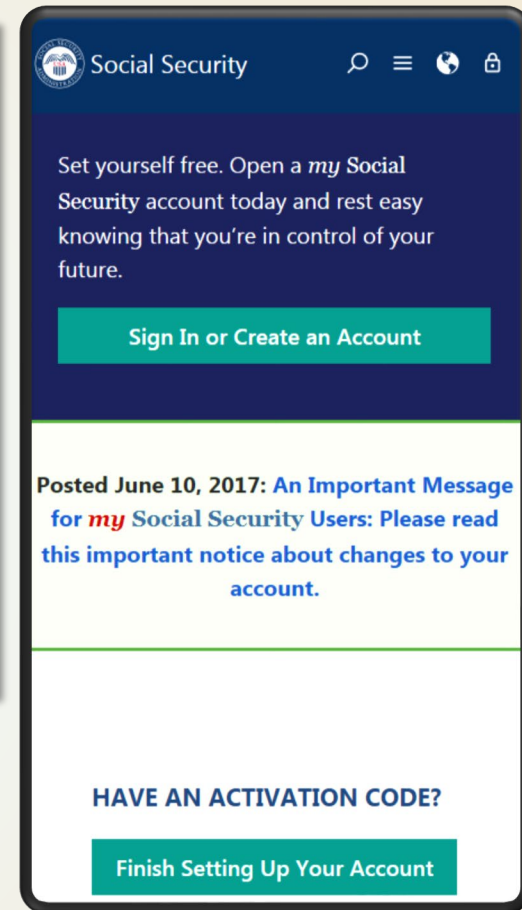
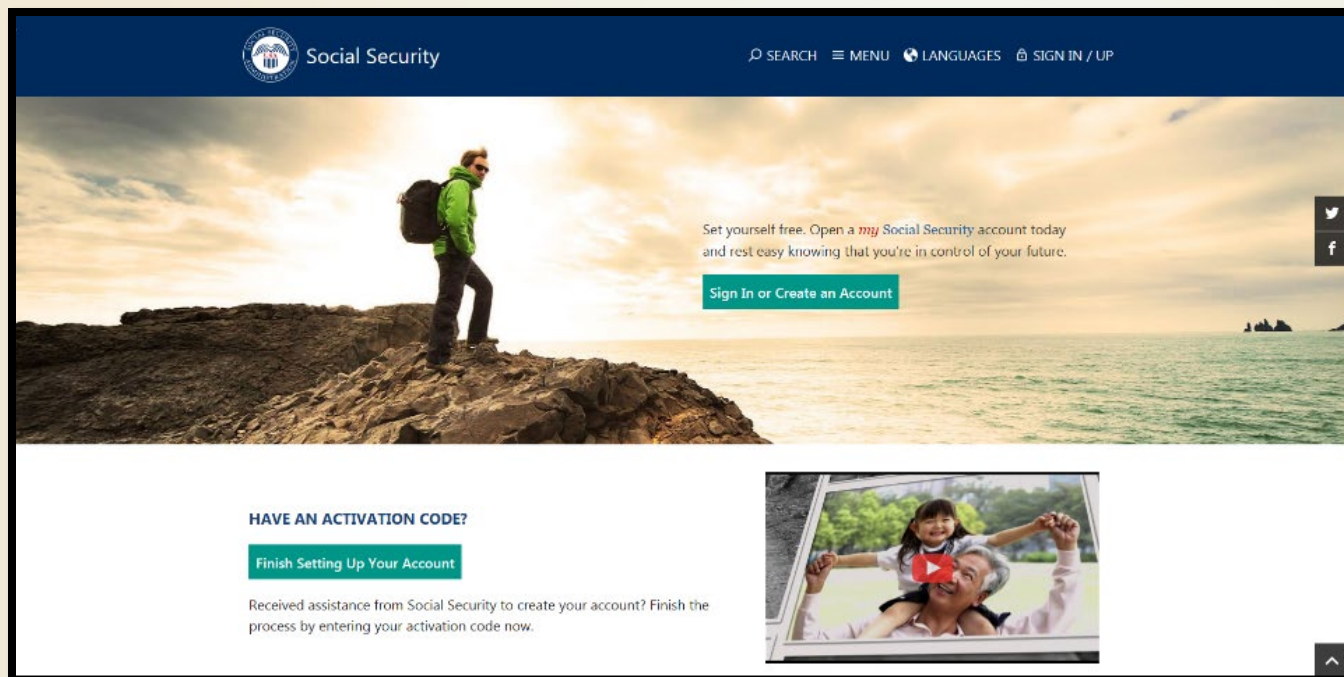
Calculate your benefits based on your actual Social Security earnings record.



FAQs

Get answers to frequently asked questions about Social Security.

my Social Security



socialsecurity.gov/myaccount



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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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Enhanced Security for your *my* Social Security Account

- We recently added a second method to check the identification of account holders when you register or sign in.
- This is in addition to the first layer of security, your username and password.
- You will be able to choose either your cell phone or your email address as your second identification method.



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Enhanced Security for your *my* Social Security Account cont.

Each time you sign in to your account, you will complete two steps:

- Step 1: Enter your username and password.
- Step 2: Enter the security code we send by text message or email, depending on your choice (cell phone provider text message and data rates may apply).

If a user does not have a text-enabled cell phone, or does not wish to provide their cell phone number, they will need to use their email address as a second identification method instead.



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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;
- 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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Q&A session

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