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

Securing today and tomorrow

Produced at U.S. taxpayer expense

Social Security Beneficiaries

- Social Security 58.8 million
- SSI 5.5 million
- Both 2.7 million

December 2017

67 Million SocialSecurity.gov
When To Start Receiving Retirement Benefits

At Social Security, we’re often asked, “What is the best age to start receiving retirement benefits?” The answer is that there’s no one “best age” for everyone and, ultimately, it’s your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances. We hope the following information will help you understand how Social Security can fit into your retirement decision.

Your decision is a personal one

Would it be better for you to begin receiving benefits early with a smaller monthly amount or to wait for a larger monthly payment later that you may not receive as long? The answer is personal and depends on several factors, such as your current cash needs, your current health and family longevity. Also, consider if you plan to work in retirement or if you have other retirement income sources. You must also study your future financial needs and obligations, and, of course, calculate your future Social Security benefit. We hope you’ll weigh all the facts carefully and consider your own circumstances before making the important decision about when to begin receiving Social Security benefits.

The following chart provides an example of how your monthly benefit can differ based on the age you decide to start receiving benefits.

Let’s say your full retirement age is 66 and your monthly benefit starting at that age is $1,000. If you choose to start getting benefits at age 62, we’ll reduce your monthly benefit 25 percent to $750 to account for the longer period of time you receive benefits. This decrease is usually permanent. If you choose to delay getting benefits until age 70, you would increase your monthly benefit to $1,320. This increase is from delayed retirement

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Full Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937 or earlier</td>
<td>65</td>
</tr>
<tr>
<td>1938</td>
<td>65 &amp; 2 months</td>
</tr>
<tr>
<td>1939</td>
<td>65 &amp; 4 months</td>
</tr>
<tr>
<td>1940</td>
<td>65 &amp; 6 months</td>
</tr>
<tr>
<td>1941</td>
<td>65 &amp; 8 months</td>
</tr>
<tr>
<td>1942</td>
<td>65 &amp; 10 months</td>
</tr>
<tr>
<td>1943 – 1954</td>
<td>66</td>
</tr>
<tr>
<td>1955</td>
<td>66 &amp; 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 &amp; 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 &amp; 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 &amp; 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 &amp; 10 months</td>
</tr>
<tr>
<td>1960 or later</td>
<td>67</td>
</tr>
</tbody>
</table>
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”

If you were born between 1943 and 1954
Your full retirement age is 66

www.ssa.gov/planners/retire/ (fill in year of birth)
### Percentages based on year of birth

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Full Retirement Age</th>
<th>% at age 62</th>
<th>% at age 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943-1954</td>
<td>66</td>
<td>75.0%</td>
<td>132.00%</td>
</tr>
<tr>
<td>1955</td>
<td>66 + 2 months</td>
<td>74.2%</td>
<td>130.67%</td>
</tr>
<tr>
<td>1956</td>
<td>66 + 4 months</td>
<td>73.3%</td>
<td>129.33%</td>
</tr>
<tr>
<td>1957</td>
<td>66 + 6 months</td>
<td>72.5%</td>
<td>128.00%</td>
</tr>
<tr>
<td>1958</td>
<td>66 + 8 months</td>
<td>71.7%</td>
<td>126.67%</td>
</tr>
<tr>
<td>1959</td>
<td>66 + 10 months</td>
<td>70.8%</td>
<td>125.33%</td>
</tr>
<tr>
<td>1960 or later</td>
<td>67</td>
<td>70.0%</td>
<td>124.00%</td>
</tr>
</tbody>
</table>

Percentages based on year of birth

SocialSecurity.gov

my Social Security

socialsecurity.gov/myaccount
We only mail Statements to people age 60 and over, who are not getting benefits, and don’t have a my Social Security account.

Scenario One: Based on a stop work age of 63, and average future annual earnings of $50,000.00, your estimated Social Security benefit will be $1,306.00 per month as of age 63.

Note: Your estimate is based on the later of your current age or your "stop work" age. If both ages are prior to age 62, we provide an estimate at age 62, which is the earliest age at which you can receive retirement benefits.

Scenario Two:
1. Stop Work Age: 63
2. Average Future Annual Earnings: $50,000.00

Scenario Three:
1. Stop Work Age: 65
2. Average Future Annual Earnings: $50,000.00

Your Additional Retirement Scenarios

Social Security Online
www.socialsecurity.gov

Social Security Statement
About Your Estimated Benefits
- How you qualify for benefits...
- How we estimated your benefits...
- If you work in a job where you don’t pay Social Security tax...

Retirement
You have earned enough credits to qualify for retirement benefits. At your current earnings your estimated payment would be:
- At full retirement age (65): $1,529 a month
- At age 70: $2,014 a month
- At your current age (65): $1,484 a month

Your estimates are based on the assumption that you will earn $50 a year from now until retirement.

Disability
To get benefits if you become disabled right now, you need 40 credits of work, and 20 of them must have been earned in the last 10 years.

Apply Online for Retirement
Apply Online for Disability

Medicare
You have enough credits for your family to qualify for Medicare benefits. If you work, certain members of your family may be eligible for Medicare:
- You
- Your spouse (for Medicare)
- Your spouse (starting at full retirement age)

Your total family benefit cannot be more than $1,000 a month.

Apply Online for Medicare
Print/Save Your Full Statement
Check your Social Security statement for important retirement details. Updated periodically.
## Working While Receiving Benefits – 2018

<table>
<thead>
<tr>
<th>If you are</th>
<th>You can make up to</th>
<th>If you earn more, some benefits will be withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Full Retirement Age (FRA)</td>
<td>$17,040/yr.</td>
<td>$1 for every $2</td>
</tr>
<tr>
<td></td>
<td>($1,420/month)</td>
<td></td>
</tr>
<tr>
<td>The Year Full Retirement Age is Reached</td>
<td>$45,360/yr.</td>
<td>$1 for every $3</td>
</tr>
<tr>
<td></td>
<td>($3,780/month)</td>
<td>(Example: If you turn FRA in June of 2018, you can earn $45,360 from Jan. ’18 thru May ’18 and receive benefits. However, you will have a 5-month reduction.)</td>
</tr>
<tr>
<td>Month of Full Retirement Age and Above</td>
<td>No Limit</td>
<td>No Limit</td>
</tr>
<tr>
<td></td>
<td>From the month of FRA and continuing there is no limit.</td>
<td></td>
</tr>
</tbody>
</table>

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

Your Spouse

- At age 62
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify

Your Child

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

Spouse’s Benefit Computation

- Benefit is between 35% (age 62) and 50% (age 66) of primary worker’s full benefit.
- Amount depends on age of spouse, lower percentage for early retirement
- If spouse’s own benefit is less than 50% of the primary worker’s, the benefits are combined
- If spouse’s own benefit is more than 50% of primary worker’s, eliminates spouse’s benefit
- Primary worker’s benefit is not reduced if someone is receiving a dependent benefit from his/her record.
- www.ssa.gov/planners/retire/ (fill in year of birth)
If you are divorced, and your marriage lasted 10 years or longer, 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; 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.

- If you have been divorced at least two years and your ex-spouse is at least 62, you can file on ex’s record even if he/she is not retired and has not filed.
- You filing on ex-spouse’s record has no effect on the amount they receive or their current spouse/children receive.

**Who Can Get Survivors Benefits?**

**Widow or Widower:**

- Reduced benefits at age 60
- If disabled as early as age 50
- At any age if caring for child under 16 or disabled
- Divorced widows/widowers may qualify

**If Your Child Is:**

- Not married under age 18 (under 19 if still in high school)
- Not married and disabled before age 22 **Earnings Limit**
Who Can Get Medicare?

65 & older
OR
Receiving Social Security disability benefits at least 24 months
OR
Permanent Kidney failure
OR
Amyotrophic Lateral Sclerosis (ALS)

Medicare Coverage and Premiums

<table>
<thead>
<tr>
<th>PART</th>
<th>DESCRIPTION</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>HOSPITAL INSURANCE</td>
<td>FREE for most workers ($1316 deductible)</td>
</tr>
<tr>
<td>B</td>
<td>MEDICAL INSURANCE</td>
<td>2018: $134.80* base premium; Covers 80% doctor bills &amp; other outpatient medical expenses</td>
</tr>
<tr>
<td>C</td>
<td>ADVANTAGE PLANS or a 20% supplemental plan</td>
<td>Varies depending on coverage needs</td>
</tr>
<tr>
<td>D</td>
<td>PRESCRIPTION DRUG COVERAGE</td>
<td>Varies depending on state and coverage needs</td>
</tr>
</tbody>
</table>
Special Enrollment Period (SEP)

If you are covered under a *Group Health Plan* based on current employment, you have a SEP to sign up for Part A and/or Part B anytime after age 65 as long as:

- You or your spouse is working
- You (or spouse) are covered by a group health plan (GHP) through the employer based on current employment
- You have an 8-month SEP window to sign up for Part A and/or Part B at no penalty

> You do not pay a late enrollment penalty if you sign up during a SEP

*CMS- L564 (employer form) and CMS - 40B (employee form)*

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Automatic Enrollment for Medicare?

Part A and Part B

- Automatic enrollment for those receiving Social Security benefits at early retirement (under age 65)
- Initial Enrollment Package - Includes your Medicare card mailed 3 months before age 65

- If you are not receiving early retirement SS benefits, you are not automatically enrolled. Take action to enroll.
Do I Need to Sign up for Part A?

Consider
- It's free for most people
- If you/your spouse is actively working and covered by employer plan, Part A Hospital can be secondary insurance

Health Savings Account
✓ Are you contributing to a Health Savings Account (HSA)
✓ If you are, you need to decide between Part A or HSA
✓ Stop contributions to Health Savings Account (HSA) 6 months prior to Medicare enrollment or benefits enrollment
If you contribute to your HSA after you have Medicare, you could be subject to a tax penalty by the IRS

Publication 969
You can withdraw money from your HSA after you enroll in Medicare to help pay for medical expenses (deductibles, premiums, copays)

Applying for Benefits

3 options available to apply:

Online

By phone 1-800-772-1213

At our office
(appointment is best)

You choose the most convenient option for you!
What Will You Need When Applying for Your Social Security Benefits?

- Social Security number for each applicant
- Proof of age (only if date of birth doesn't match Social Security records)
- Latest W-2 or self-employment tax return
- Earnings estimate
- Bank information for direct deposit
- Information about marriages/divorces
- Information about military or railroad service
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.