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### History of Social Security Programs

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- 1935 – Retirement Insurance
- 1939 – Survivors Insurance
- 1956 – Disability Insurance

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### Other Programs

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- 1965 – Medicare Program
- 1972 – Supplemental Security Income
- 2003 – Medicare Prescription  
Drug Coverage

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## Save for a Secure Future

Social Security is the foundation for a secure retirement, but you will also need other savings and investments. If you want to learn more about how and why to save, visit [www.mymoney.gov](http://www.mymoney.gov)

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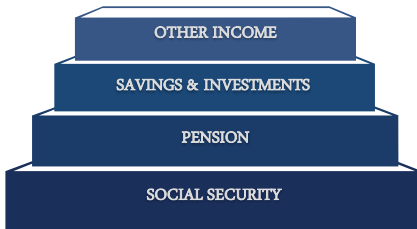
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## A Foundation for Planning Your Future



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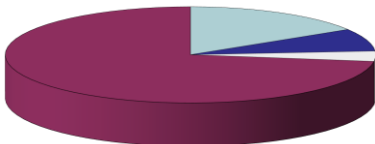
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## Who Gets Benefits from Social Security?

60 million people



- 8.9 million Disabled Workers and 1.9 million Dependents
- 4.2 million Widows/Widowers
- 1.9 million Children of Deceased Workers
- 40 million Retired Workers and 3 million Dependents

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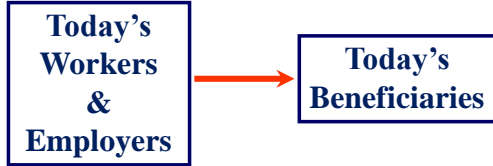
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## Who Pays for Social Security?



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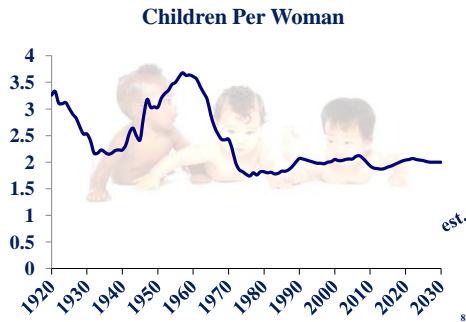
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## U.S. Birth Rate 1920-2030



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## The Number of Workers per Beneficiary is Decreasing

**5 – 1960**

**3 – 2016**

**2 – 2035**

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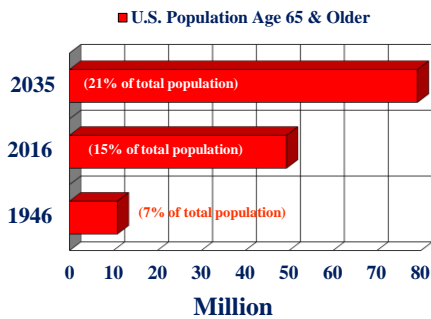
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## America is Getting Older



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## Life Expectancy for Those Age 65 Today

	<u>Men</u>	<u>Women</u>
<b>U.S. Population</b>	<b>82</b>	<b>85</b>
<b>White</b>	<b>82</b>	<b>85</b>
<b>African American</b>	<b>79</b>	<b>83</b>
<b>Hispanic</b>	<b>85</b>	<b>89</b>
<b>Asian</b>	<b>85</b>	<b>88</b>
<b>American Indian</b>	<b>78</b>	<b>81</b>

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## Social Security Cost-of-Living Adjustments

Effective Date	Amount	Effective Date	Amount
June 1975	8.0%	Dec 1996	2.9%
June 1976	6.4%	Dec 1997	2.1%
June 1977	5.9%	Dec 1998	1.3%
June 1978	6.5%	Dec 1999	2.5%
June 1979	9.9%	Dec 2000	3.5%
June 1980	14.3%	Dec 2001	2.6%
June 1981	11.2%	Dec 2002	1.4%
June 1982	7.4%	Dec 2003	2.1%
Dec 1983	3.5%	Dec 2004	2.7%
Dec 1984	3.5%	Dec 2005	4.1%
Dec 1985	3.1%	Dec 2006	3.3%
Dec 1986	1.3%	Dec 2007	2.3%
Dec 1987	4.2%	Dec 2008	5.8%
Dec 1988	4.0%	Dec 2009	0%
Dec 1989	4.7%	Dec 2010	0%
Dec 1990	5.4%	Dec 2011	3.6%
Dec 1991	3.7%	Dec 2012	1.7%
Dec 1992	3.0%	Dec 2013	1.5%
Dec 1993	2.6%	Dec 2014	1.7%
Dec 1994	2.8%	Dec 2015	0%
Dec 1995	2.6%	Dec 2016	0.3%

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## Value of Inflation Protection

**Example: Worker with average pre-retirement income of \$30,000**

(Retiring at age 66 in 2016)

### 1<sup>st</sup> Year of Retirement

Pension	\$13,000/50%
Social Security	\$13,000/50%
Inflation	3% per year

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## Value of Inflation Protection

example continued:  
**Worker with average pre-retirement income of \$30,000**

### 5<sup>th</sup> Year of Retirement

Pension	\$13,000/47%
Social Security	\$14,632/53%

### 10<sup>th</sup> Year of Retirement

Pension	\$13,000/43%
Social Security	\$16,962/57%

### 20<sup>th</sup> Year of Retirement

Pension	\$13,000/36%
Social Security	\$22,796/64%

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## How Do You Qualify for Retirement Benefits?

- 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.

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## Thinking of Retiring?

- Deciding what is the 'right' age to retire
- Check online *Social Security Statement*
- How working after retirement can affect benefits
- Medicare considerations
- Online retirement estimator
- How to apply online for benefits



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## Full Retirement Age

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

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## Your Age at the Time You Elect Retirement Benefits Affects the Amount

### 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



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## Your Age at the Time You Elect Retirement Benefits Affects the Amount

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



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

### Your Child

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



### Your Spouse

- Age 62 or older
- At any age, if caring for a child under age 16 or disabled

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

### Your Ex-Spouse

- Marriage lasted at least 10 years
- Ex-spouse 62 or older
- 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 retired
- Ex-spouse's benefit amount has no effect on the amount you or your current spouse can get

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## Deemed Filing FAQ

[www.ssa.gov/planners/retire/deemedfaq.html](http://www.ssa.gov/planners/retire/deemedfaq.html)

- What is the change in the law for people who qualify for both Social Security retirement and spouses benefits?

If you are eligible for benefits both as a retiree and as a spouse (or divorced spouse), you must file for both benefits.

This “deemed filing” used to apply only before the full retirement age, which is currently 66. Now, deemed filing will apply at any age, if you reach age 62 after January 1, 2016.

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## Voluntary Suspension FAQ

[www.ssa.gov/planners/retire/suspendfaq.html](http://www.ssa.gov/planners/retire/suspendfaq.html)

- What is the change in the law for voluntarily suspending Social Security retirement benefits?

If you take your retirement benefit and then ask (on or after April 30, 2016) to suspend it to earn delayed credits, your spouse or dependents (excluding divorced spouses) generally will not be able to receive benefits on your Social Security record during the suspension. You also will not be able to receive benefits on anyone else’s record during that time.

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## Spouse’s Benefit Computation

- 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 worker

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## How Social Security Determines Your Benefit

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”



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## 2017 Retirement Benefit Computation Example

If your average monthly earnings are = \$5,800  
Then your monthly benefit would be = \$2,290

Average Monthly Earnings	\$5,800		
90% of First	\$885	=	\$796.50
32% of Earnings over \$885 through \$5,336 <small>((\$5,336-\$885)=\$4,451)</small>	\$4,451	=	\$1,424.30
15% of Earnings over \$5,336	\$464	=	\$69.60
	<u>\$5,800</u>		<u>\$2,290</u>

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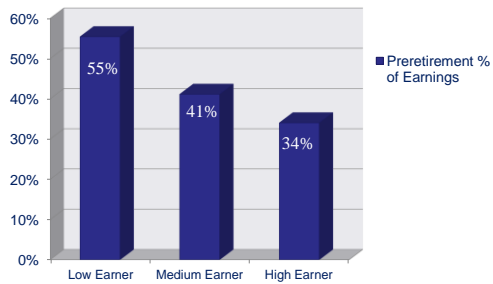
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## What You Can Expect at Full Retirement Age



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## Use the Retirement Estimator



- Convenient, secure, and quick financial planning tool
- Immediate and accurate benefit estimates
- Lets you create “What if” scenarios based on different ages and earnings

[www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator)

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## my Social Security

Your Online Account ... Your Control ...  
[socialsecurity.gov/myaccount](http://socialsecurity.gov/myaccount)



my Social Security is an easy-to-access, easy-to-use portal to view and update some of your own Social Security information.

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## Who Can Open a my Social Security Account?

You must be at least 18 years old and have a:



- Valid E-mail address;
- Social Security number; and
- U.S. mailing address.

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## my Social Security Services

If you don't get benefits, you can—

- Request a replacement Social Security card (available in some states and the District of Columbia);
- Review estimates of your future retirement and disability benefits;
- Review estimates of the benefits your family may get when you receive Social Security or die;
- Verify your lifetime earnings according to Social Security's records;
- Review the estimated Social Security and Medicare taxes you've paid;
- Learn about qualifying and signing up for Medicare; and
- View, save, and print your *Social Security Statement*.

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## my Social Security Services

If you do get benefits you can—

- Request a replacement Social Security card (in some states and the District of Columbia);
- Check your benefit and payment information and verify your earnings record;
- Change your address and phone number;
- Start or change your direct deposit;
- Request a replacement Medicare card; and
- Get a replacement SSA-1099 or SSA-1042S.

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## my Social Security

### Getting Started

How to open a *my* Social Security account

- 1 Visit [socialsecurity.gov/myaccount](https://socialsecurity.gov/myaccount)
- 2 Select: Create an Account



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# my Social Security

## Getting Started

How to open a *my* Social Security account

3 Provide some personal information to verify your identity.

4 Choose a username and password to create your account.



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# my Social Security

## You May Choose to Add Extra Security

You will need to enter a unique code we will send to your text-enabled cell phone each time you want to sign in, in addition to your username and password. Your text message rates still apply.

To add this feature, you will first have to provide us with one of the following to verify your identity:

- The last eight digits of your Visa, MasterCard, or Discover credit card;
- Information from your W-2 tax form;
- Information from your 1040 Schedule SE (self-employment) tax form; or
- Your direct deposit amount, if you receive Social Security benefits.

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## How to Get Your Online Benefit Verification Letter

To get your benefit verification letter:



- Sign into your account; and
- Select "Get a Benefit Verification Letter."

Your letter will be displayed and you may print it or save it for later use.



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## Windfall Elimination Provision

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.



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## Windfall Elimination Provision (WEP) – 2016

Normal Computation	WEP Computation
90% of the First \$856	40% of the First \$856
32% of the Next \$4,301	32% of the Next \$4,301
15% of the Remainder	15% of the Remainder

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## Exception to the Windfall Elimination Provision

Years of Social Security Coverage	% 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

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

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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 spouse's or widow(er)'s benefits may be reduced.



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## Government Pension Offset (GPO)

### Applies to Spouse's Benefits Only

- 2/3 of amount of government pension will be used to reduce the Social Security spouse's benefits

#### Example:

- \$1,200 of government pension  $2/3 = \$800$   
Social Security spouse's benefits = \$750  
No benefit payable by Social Security
- Our Online GPO calculator allows you to estimate your Social Security benefit.  
[www.socialsecurity.gov/calc-gpo](http://www.socialsecurity.gov/calc-gpo)

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## 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>
Under Full Retirement Age	\$16,920/yr. (\$1,410/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$44,880/yr. (\$3,740/mo.)	\$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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## How Do I Apply for Retirement Benefits?

- Apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov)  
It is the most convenient way to apply;
- Call Social Security to schedule an appointment  
1-800-772-1213 (TTY 1-800-325-0778); or
- Apply at your local Social Security office.



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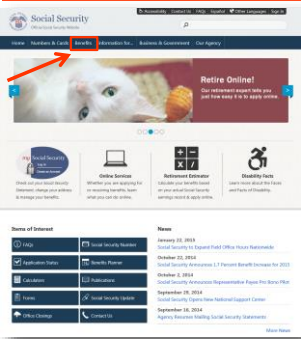
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## Applying for Retirement Benefits



You can apply online for Retirement Benefits by visiting [www.socialsecurity.gov](http://www.socialsecurity.gov) and clicking "Benefits"

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## Applying for Retirement Benefits

A screenshot of the Social Security Administration's "Benefit Application" form. The form is titled "Benefit Application" and has tabs for "Identification", "General", "Other Benefits", "Remarks", "Review & Submit", and "Next Steps". The "Identification" tab is selected. The form contains the following fields:

- Applicant Identification**
- Applicant's Name:** Please provide the name as it appears on the most recent Social Security card. Fields for First, Middle, Last, and Suffix.
- Social Security Number (SSN):** A text input field.
- Gender:** Radio buttons for Male and Female.
- Date of Birth:** Fields for Month, Day, and Year.

At the bottom left is a "Next" button. On the right side, there is a "Go Back Section..." menu with options: "Index Information", "Applicant Identification", "Contact Information", "Bank and Ownership", "Application Number", and "Additional Information".

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## 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 allegation 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

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## Who Can Get Survivors Benefits?

### Your Child if:

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

### Widow or Widower:

- Full benefits at full retirement age
- Reduced benefits at age 60
- If disabled as early as age 50
- At any age if caring for child under 16 or disabled
- Remarriage after age 60 (50 if disabled)
- Divorced widows/widowers may qualify

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## Widow or Widower Benefit Computation

- 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

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## Other Survivors Benefits

### ➤ Parents

- Age 62 and was receiving at least one-half support from deceased worker

### ➤ Lump Sum Death Payment (\$255)

- Most spouses and some children



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## Social Security's Disability Definition:

A medical condition or combination of impairments preventing substantial work for at least 12 months, or expected to result in death. The determination also considers age, education & work experience.



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## Who Can Get Disability Benefits?

### Worker

- Must have paid into Social Security five out of last 10 years
- For younger workers, under age 31 less work is required



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## Who Can Get Disability Benefits?

### Child

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

### Spouse

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



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## Applying Online for Disability Benefits



- Social Security offers an online application for adults to apply for disability benefits.
- It's the most convenient way to apply.

➤ [www.socialsecurity.gov/applyforbenefits](http://www.socialsecurity.gov/applyforbenefits)

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## Advantages of Applying Online for Disability

### You can:

- Apply for yourself or for someone else;
- Provide all the information at once or over several sessions, in the setting of your choice;
- Use the “more info” links if you need help answering a question;
- Print or save a copy of what you submit;
- Send the information electronically; and
- Check the status of your application online after you submit it.

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## Who Can Apply Online for Disability

You can apply online for disability benefits if you:

- Are age 18 or older;
- Have a medical condition or combination of impairments that has prevented you from working or is expected to prevent you from working for at least 12 months or end in death; and
- Reside in the United States or one of its territories or commonwealths.

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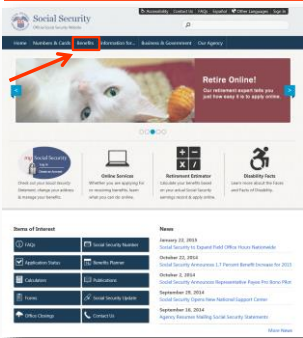
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## Applying for Disability Benefits



You can apply online for Disability Benefits by visiting [www.socialsecurity.gov](http://www.socialsecurity.gov) and clicking "Benefits"

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## Three Steps to Applying Online for Disability

- Complete the online disability benefits application
- Complete the online adult disability report
- Electronically sign and submit the Authorization to Disclose Information to SSA form (SSA-827)



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## Your Benefits Can Be Taxable

- About 40 percent 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.
- To get a replacement SSA-1099, go to **my Social Security** at [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount).

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## Who Can Get Medicare ?

- 65 & older
- 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

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## Medicare Has Four Parts

### Part A - Hospital Insurance

- Covers most inpatient hospital expenses
- 2017 deductible \$1,316

### Part B - Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses after 1<sup>st</sup> \$183 in approved charges
- 2017 standard monthly premium \$134

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## Medicare Has Four Parts

### Part C – Medicare Advantage Plans

- Health plan options offered by Medicare-approved private insurance companies
- When you join a Medicare advantage plan, you can get the benefits and services covered under Part A, Part B, and in most plans, Part D

### Part D – Medicare Prescription Drug Coverage

- Covers a major portion of your prescription drug costs
- Your out-of-pocket costs—monthly premiums, annual deductible and prescription co-payments—will vary by plan
- You enroll with a Medicare-approved prescription drug provider not Social Security

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## When Can I Sign Up for Medicare Part B?

### Medicare Enrollment Periods:

- Initial – at age 65
- Special – if still working
- General – January-March

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## Extra Help Could Further Reduce Medicare Prescription Drug Costs

Extra Help is available for beneficiaries with limited resources and income to help pay for the costs—monthly premiums, annual deductibles, and prescription co-payments—related to a Medicare prescription drug plan.

The Extra Help is estimated to be worth about \$4,000 per year.

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## Advantages of the Medicare Savings Programs



- Helps pay for Medicare Part B (medical insurance) premiums
- For some, it may help pay for Part A (hospital insurance) premiums, and Part A & Part B deductibles and co-payments

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## How Do I Apply for Extra Help?

Complete the *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020).

Here's how:

- Apply online at [www.socialsecurity.gov/i1020/start](http://www.socialsecurity.gov/i1020/start)
- Call Social Security to apply over the phone or request an application at 1-800-772-1213 (TTY 1-800-325-0778)
- Apply at your local Social Security office

Social Security will review your application and send you a letter to let you know if you qualify

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## For More Medicare Information

**1-800-MEDICARE**

(1-800-633-4227)

TTY 1-877-486-2048

**[www.medicare.gov](http://www.medicare.gov)**

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## Supplemental Security Income (SSI)

### Who Can Get SSI?

- Age 65 or older
- Blind—any age
- Disabled—any age
- Limited income
- Limited resources



- Noncitizens must meet special requirements to qualify

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## Social Security's Online Services [www.socialsecurity.gov](http://www.socialsecurity.gov)

- Apply for Retirement & Disability
- Apply for Medicare
- Apply for Extra Help With Medicare Drug Plan Costs
- Review your *Social Security Statement*
- Retirement Estimator
- Retirement/Survivors/Disability Planner

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## Social Security's Online Services [www.socialsecurity.gov](http://www.socialsecurity.gov)

- Request a replacement Social Security card  
(available in some states and the District of Columbia)
- Get a Benefit Verification Letter
- Change address and phone number
- Start or change direct deposit
- Medicare card replacement
- Get a replacement SSA-1099/SSA-1042S

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## Social Security Engages on Social Media



- Discover us on Facebook, Twitter, YouTube, and our blog, *Social Security Matters*
- View popular agency webinar videos at [www.socialsecurity.gov/webinars](http://www.socialsecurity.gov/webinars)
- Sign-up to get emails and SMS/Texting when we update popular [www.socialsecurity.gov](http://www.socialsecurity.gov) web pages

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# Social Security

[www.socialsecurity.gov](http://www.socialsecurity.gov)



This presentation produced at U.S. taxpayer expense.

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