Social Security:
With You Through Life's Journey…

University of Nebraska - Lincoln

Securing today and tomorrow

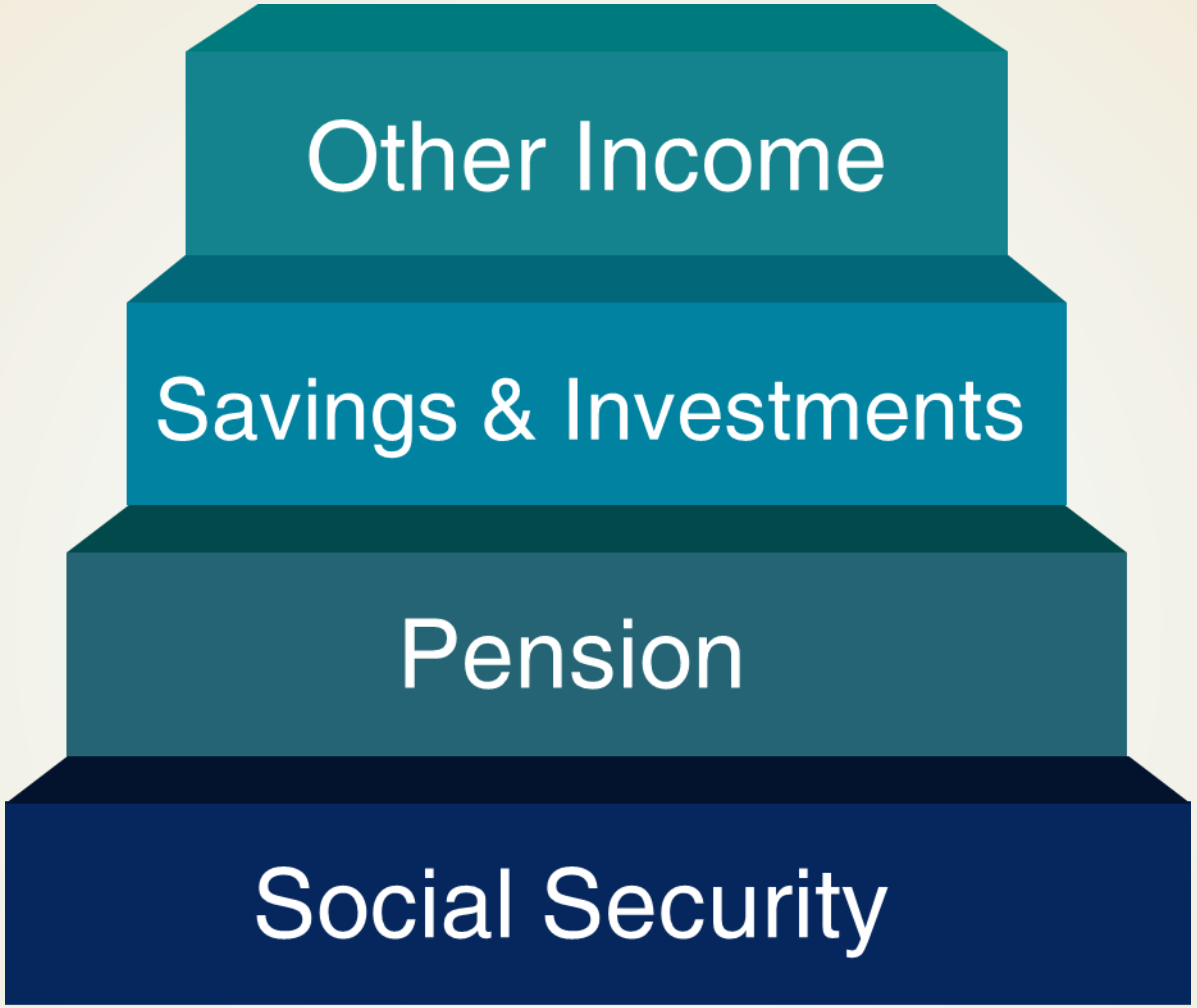
February 2023

Agenda

- Retirement Benefits
- Survivor Benefits
- Medicare Filing Options
- Create your *my* Social Security account
- Questions & Answers

Disclaimer

This information is current at the time of the presentation, but Social Security policy is subject to change. Please visit SSA.gov for up-to-date information on our programs.


Other Income
Savings & Investments
Pension
Social Security

What is FICA?

- Stands for Federal Insurance Contributions Act
  - May show on paycheck as OASDI or Social Security
- Federal payroll tax deducted from workers' paychecks, matched by employer, and reported by employer to IRS
- Total FICA tax = 15.3% of gross wages. You and your employer each pay 7.65%
  - 6.2% for Social Security
  - 1.45% for Medicare
- FICA taxes help fund Social Security retirement, disability, survivor benefits and Medicare health insurance

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 $1,640 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2023, you must earn at least $6,560.

ssa.gov/planners/credits.html

How Social Security Determines Your Benefit

Benefits are based on earnings

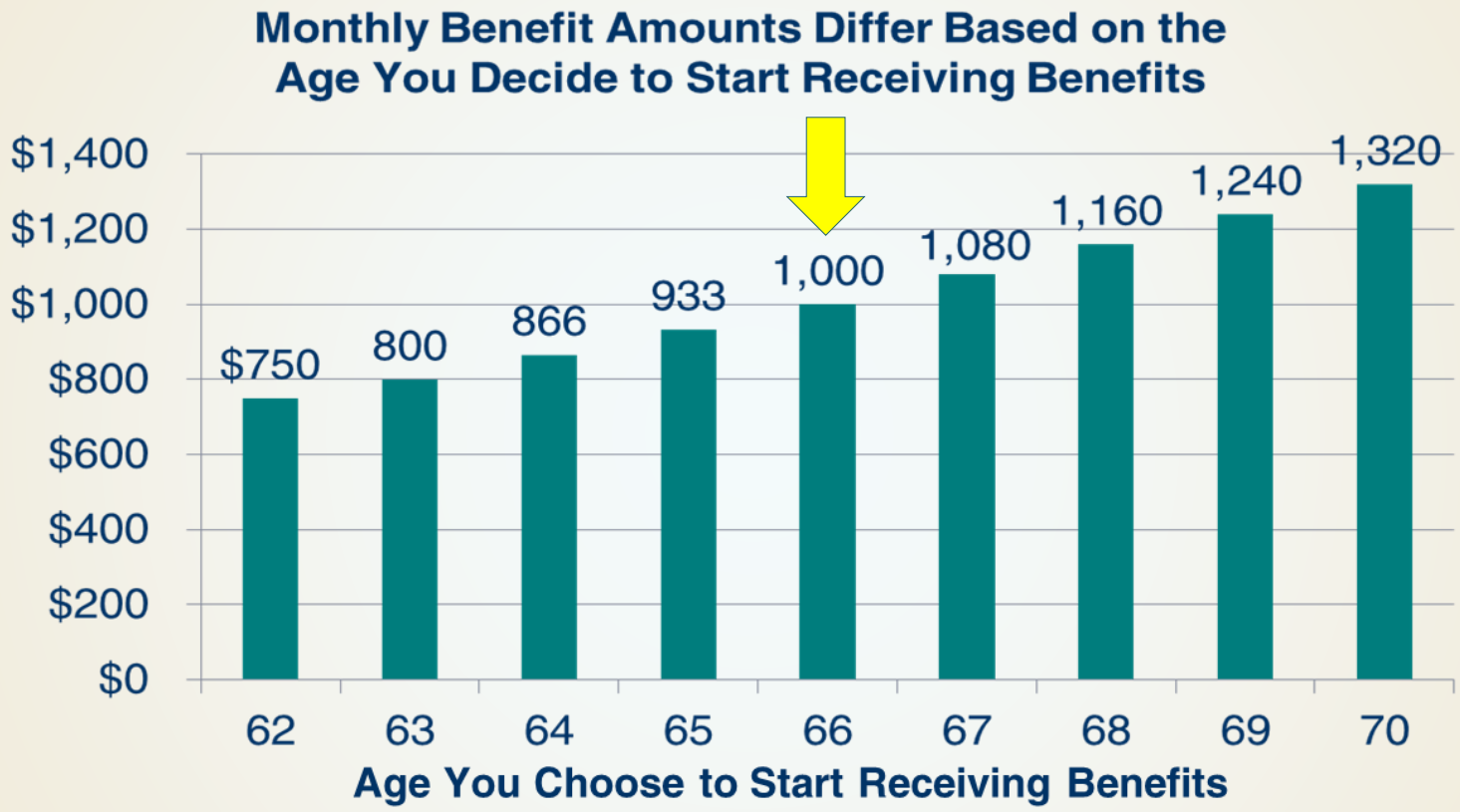
Step 1 - Your wages are adjusted for changes in wage levels over time

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

Step 3 - Result is “average indexed monthly earnings”

ssa.gov/OACT/COLA/Benefits.html

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



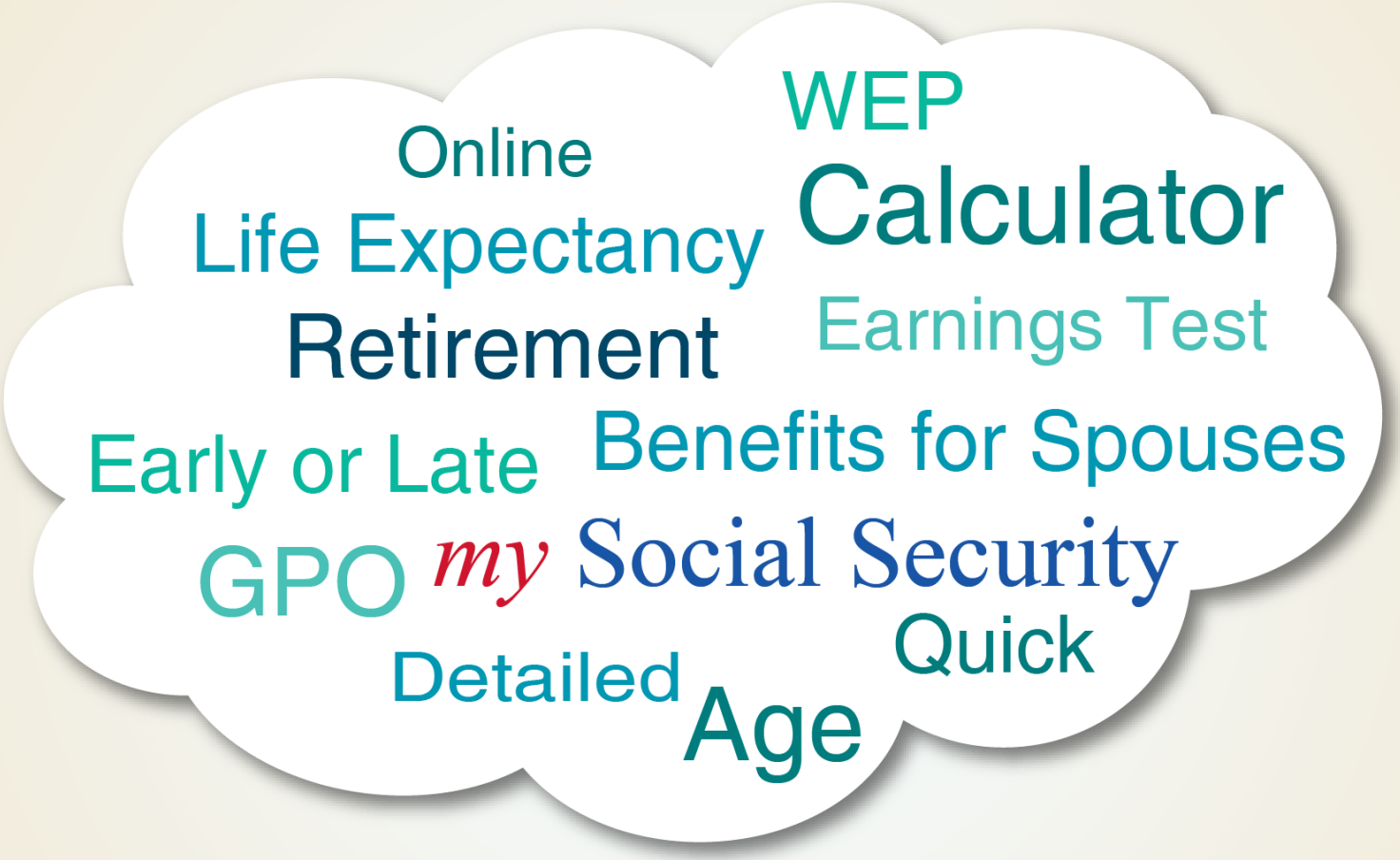
Note: This example assumes a benefit of $1,000 at a full retirement age of 66

Benefits Chart by Age

Year of Birth	Full Retirement Age (FRA)	A retirement benefit taken at age 62 would be reduced by
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

Social Security's Online Calculators



ssa.gov/planners/calculators/

Benefits for the Family

Child	May receive benefits if unmarried and younger than age 18, or between ages 18 and 19 and a full-time student (no higher than grade 12)
Disabled Child	May receive benefits after age 18 if unmarried and disabled before age 22
Spouse / Divorced Spouse	Must be age 62 **OR** caring for a child that is under age 16 or disabled **If filing as a divorced spouse:** • You must be unmarried • Marriage lasted at least ten (10) years • Your ex-spouse must be at least 62 or entitled to disability benefits

Benefits for a Spouse

- Maximum benefit = 50% of worker's unreduced benefit
- Reduction for early retirement
- Does not reduce payment to the worker
- Benefit is unreduced if spouse is caring for worker's child younger than age 16 or disabled
- Spouse benefits are not payable until worker collects
- If spouse's own benefit is less than 50% of the worker's, they will be combined to equal to 50% of the worker's

ssa.gov/planners/retire/yourspouse.html

Spousal Benefits – Example

	Franklin's Benefit at FRA	Max Spouse Benefit	Eleanor's Own Benefit at FRA	Spouse Benefit Payable
Example 1	$1,200	$600	$400	$200
Example 2	$1,200	$600	$800	$0

NOTE: Benefits are reduced if filing prior to full retirement age (FRA).

We're There If You Lose A Loved One

Securing today and tomorrow

SSA.gov

Survivor Benefits

Child	May receive benefits if unmarried and younger than age 18, or between ages 18 and 19 and a full-time student (no higher than grade 12)
Disabled Child	May receive benefits after age 18 if unmarried and disabled before age 22
Widow/er or Divorced Widow/er (Remarriage after age 60 will not affect benefits)	May receive full benefits at full retirement age or reduced benefits: • as early as age 60 • as early as 50, if disabled • at any age if caring for child of deceased worker who is under age 16 or disabled and receives child's benefits

ssa.gov/planners/survivors

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	100% if you start at FRA or later
Less than 50% if you start before FRA (reduction for each month you take benefit early)	71.5% at age 60, increases each month you wait

Certain conditions must be met.

ssa.gov/planners/survivors/ifyou.html

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

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

Working While Receiving Benefits

Earnings that Count

- Gross wages from employment
- Net earnings from self-employment

Special Payments (sick/vacation pay, severance, bonuses, etc.) for work done before you start getting benefits may or may not count.

Taxation of Social Security Benefits

Your adjusted gross income

+ Nontaxable interest

+ ½ of your Social Security benefits

= Your "***combined income***"

Publication 554, *Tax Guide for Seniors*
Publication 915, *Social Security and Equivalent Railroad Retirement Benefits*
IRS.gov

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

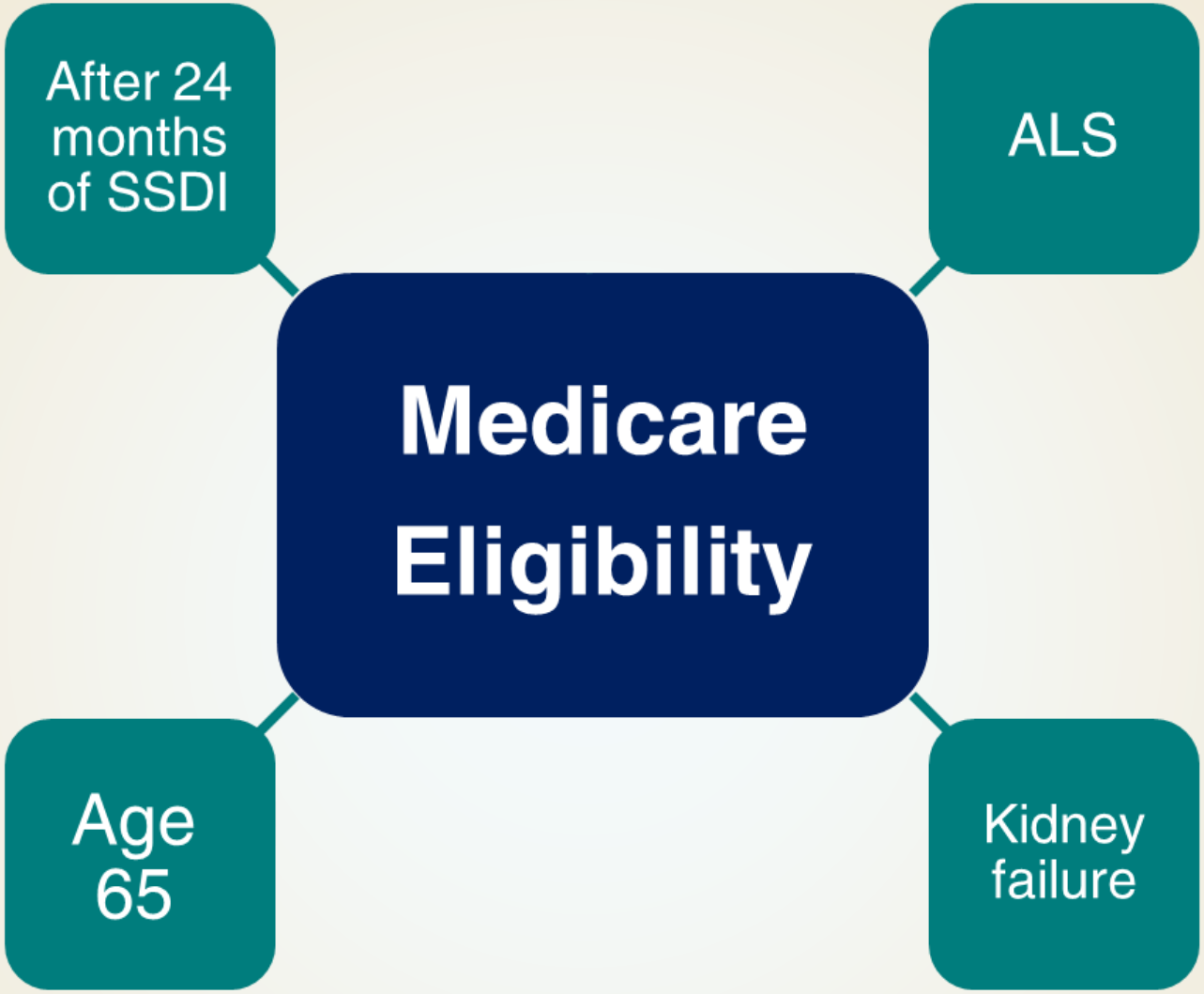
- between $32,000 and $44,000, you may have to pay income tax on up to 50 percent of your benefits
- more than $44,000, up to 85 percent of your benefits may be taxable.

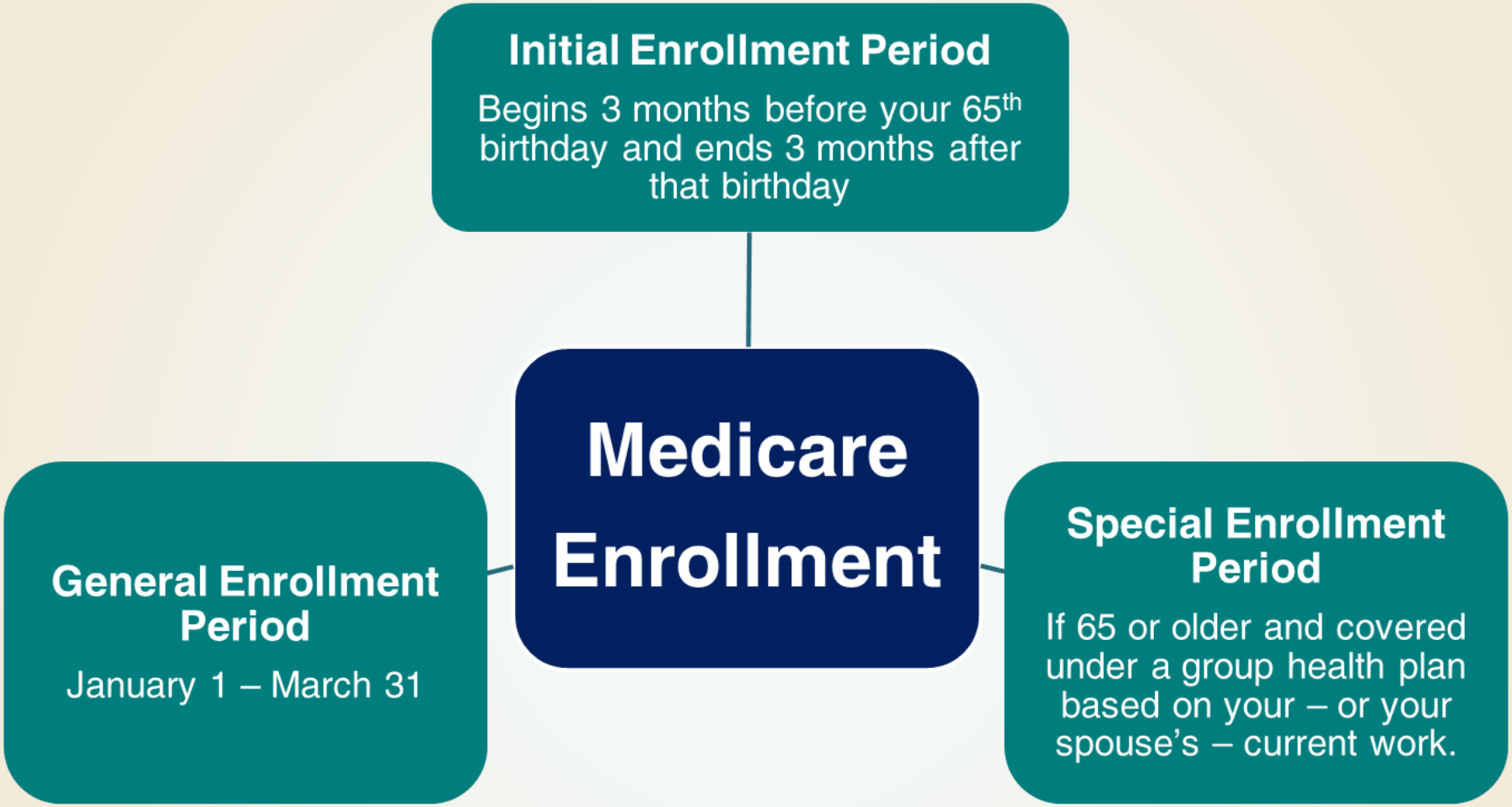
are married and file a separate tax return, you will probably pay taxes on your benefits.

Medicare

Original Medicare	Medicare Advantage (aka Part C)
Part A (Hospital Insurance) Part B (Medical Insurance)	Part A (Hospital Insurance) Part B (Medical Insurance)
You can add: Part D (Prescription Drug Plan)	**Most plans include:** Part D (Prescription Drug Plan) Extra Benefits (e.g. vision, hearing, dental, and more)
You can also add: Supplemental insurance coverage (Medigap)	**Some plans also include:** Lower out-of-pocket costs

Medicare.gov


After 24 months of SSDI
ALS
Medicare Eligibility
Age 65
Kidney failure



NOTE: *Per IRS rules, HSA contributions are not allowed while enrolled in Medicare.*

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

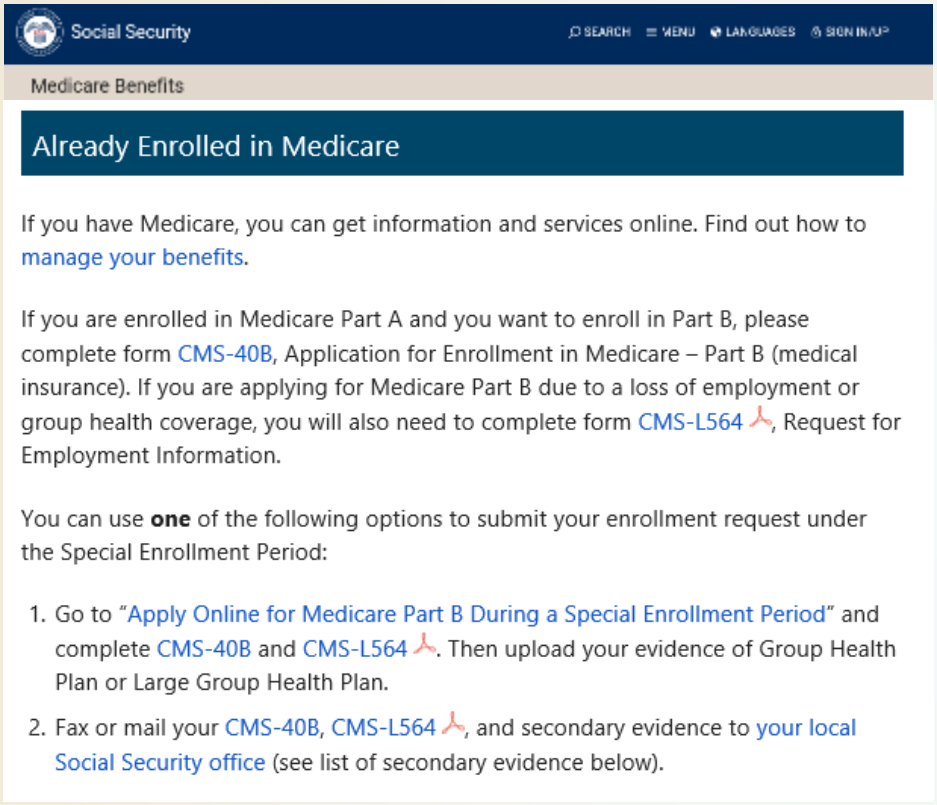
Medicare Part B Coverage - SEP

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	• 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.

Medicare Part B Coverage - GEP

Beginning in 2023, if you enroll in the month of the General Enrollment Period:	Your Part B Medicare coverage starts:
January 1 to March 31	The first day of the month after you sign up **NOTE:** Your monthly premium will go up **10% for each 12-month period** you were eligible for Part B but didn't sign up for it.

Medicare Applications



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Medicare Benefits

Already Enrolled in Medicare

If you have Medicare, you can get information and services online. Find out how to manage your benefits.

If you are enrolled in Medicare Part A and you want to enroll in Part B, please complete form CMS-40B, Application for Enrollment in Medicare – Part B (medical insurance). If you are applying for Medicare Part B due to a loss of employment or group health coverage, you will also need to complete form CMS-L564, Request for Employment Information.

You can use **one** of the following options to submit your enrollment request under the Special Enrollment Period:

1. Go to "Apply Online for Medicare Part B During a Special Enrollment Period" and complete CMS-40B and CMS-L564. Then upload your evidence of Group Health Plan or Large Group Health Plan.
2. Fax or mail your CMS-40B, CMS-L564, and secondary evidence to your local Social Security office (see list of secondary evidence below).

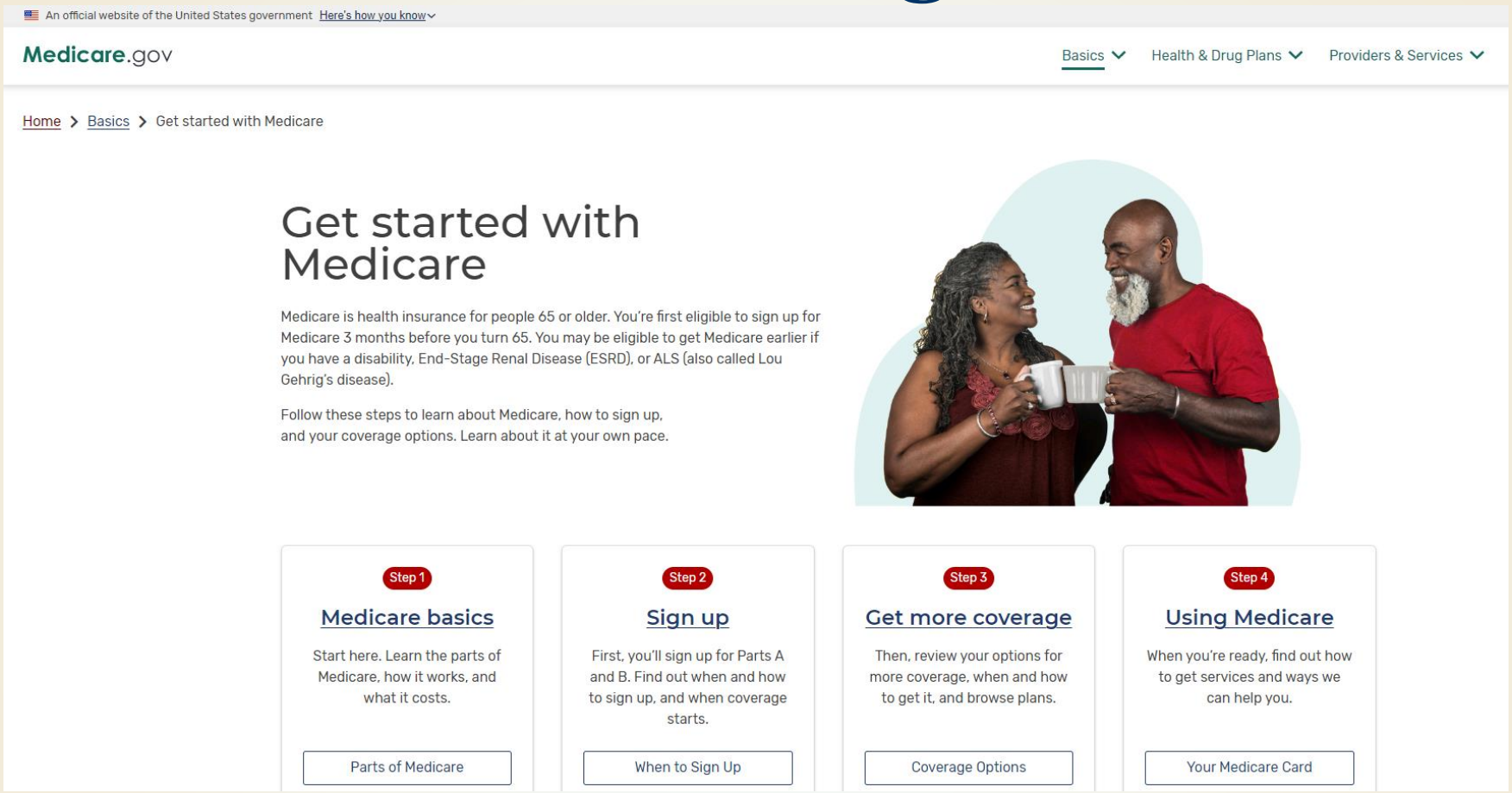
- If you already have Medicare Part A and wish to add Medicare Part B, complete the online application, or fax or mail completed forms CMS-40B and CMS-L564 to your local Social Security office.

ssa.gov/benefits/medicare

Other Medicare Considerations

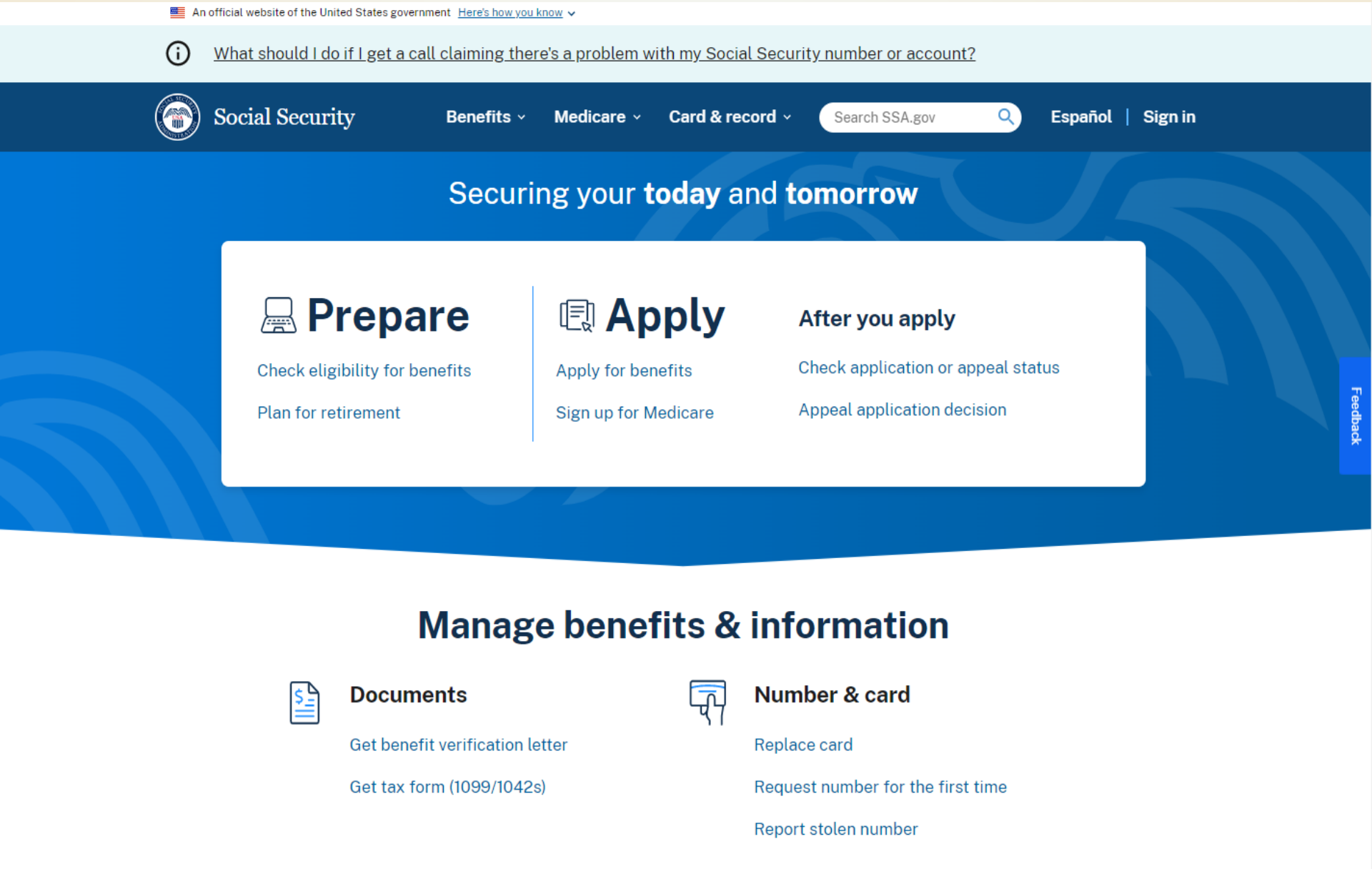
- You are automatically enrolled in Parts A & B <u>if you receive</u>:
  - SS retirement / survivor benefits before age 65
  - SS disability benefits for 24 months
- If you file after age 65, Part A may be retroactive up to 6 months but no earlier than age 65.
- IRS does not allow HSA (health savings account) contributions while enrolled in Medicare.

Medicare.gov

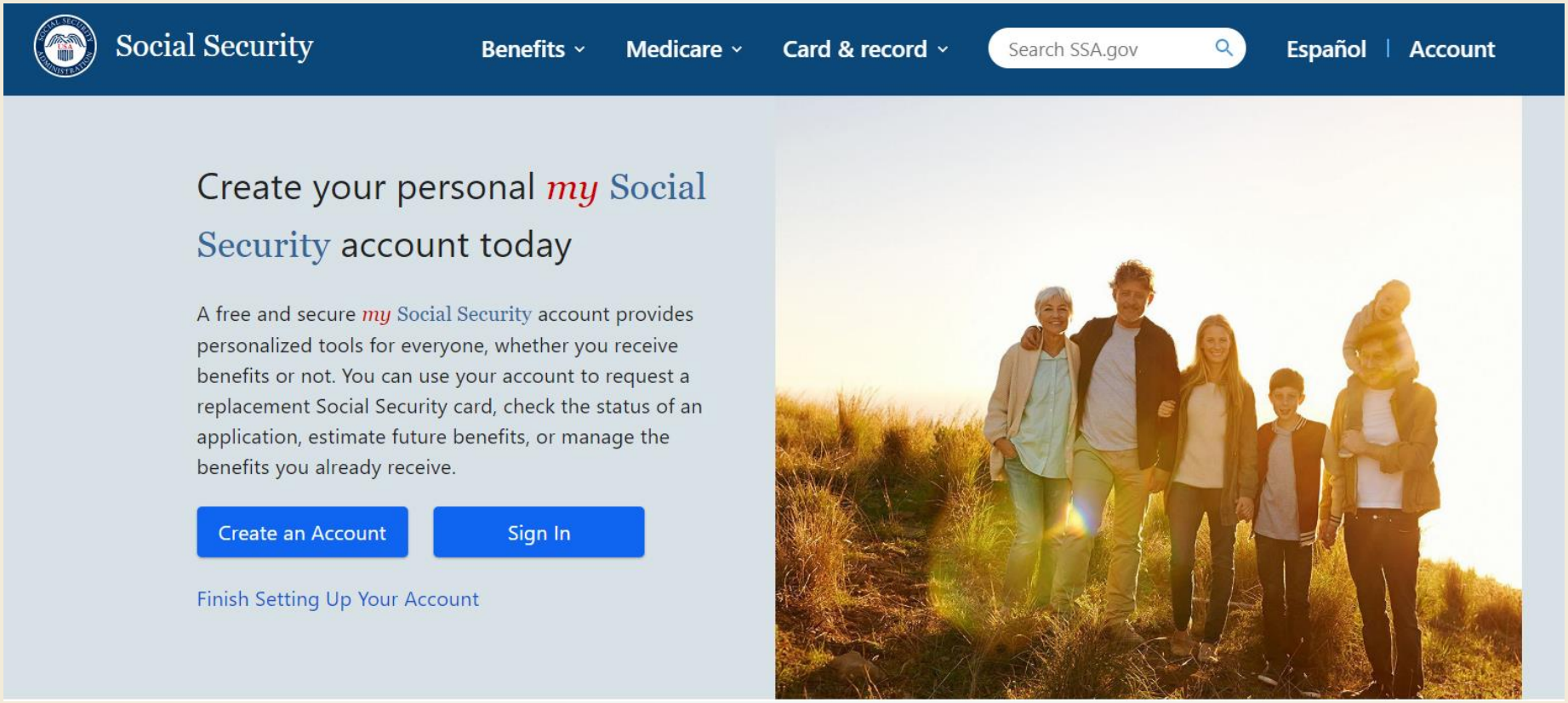


Create an account at Medicare.gov

SocialSecurity.gov



my Social Security



ssa.gov/myaccount

my Social Security **Services**

If you do not receive benefits, you can:

- View retirement benefit estimates at different ages or dates when you want to start receiving benefits;
- View possible spouse's benefits;
- 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 record, to verify the amounts that we posted are correct; and
  - The estimated Social Security and Medicare taxes you've paid.

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.

Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now, your monthly payment would be about **$1,656 a month**.

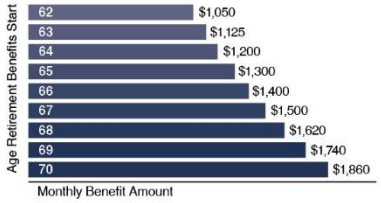
Survivors Benefits

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

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.

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



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. **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-wep.

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.

SSA.gov | Follow us on social media ssa.gov/socialmedia

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

How to Open/Sign In to a *my* Social Security Account

1. Visit www.ssa.gov/myaccount
2. Select: “Sign In or Create an Account”
3. If you already have an account, select Sign In and enter:
   - Existing my Social Security username and password
   - Existing Login.gov or ID.me credentials
4. To create a new account, select Create an Account on this and the next screen. You will be directed to Login.gov for next steps.
5. After creating your Login.gov account, you will be directed back to our website where you will provide personal information so we can verify your identity.
6. Complete the registration process using the activation code we send you.

How to Apply for Benefits

File online for Retirement, Spouse, Disability, or Medicare Only

- If you are disabled, you can file for Retirement and Disability with same application if you are at least 62 but not yet FRA.
- Survivor* application is not available online.

Schedule phone appointment at 1-800-772-1213, 8 a.m. – 7 p.m. Monday through Friday.

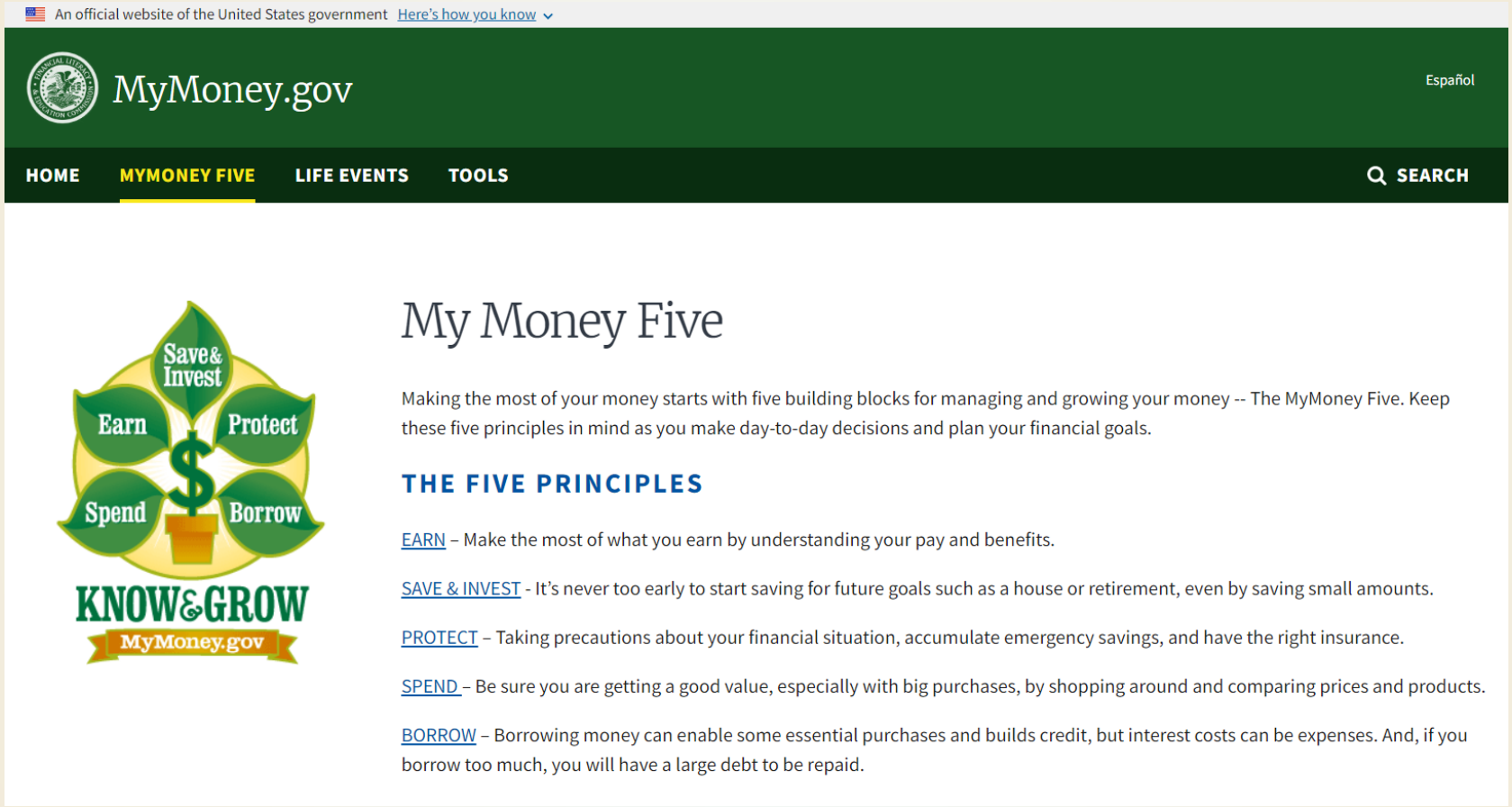
Schedule in-office appointment at 1-800-772-1213.

Child and survivor claims can only be done by phone or in the office.

Contact Us

- **Online**
  - Benefit Planners, FAQs
- **Phone**
  - National: 800-772-1213
  - Local Office: **ssa.gov/locator**

MyMoney.gov



mymoney.gov or 1-800-FED-INFO

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Q&A Session