Who Receives Benefits from Social Security?

Over 61 Million People

- 41 million Retired Workers
- 3 million Dependents
- 8.9 million Disabled Workers, 1.9 million Dependents
- 4.4 million Widows/ Widowers
- 1.9 million Children

12/2017
Preparing for Retirement

- Social Security replaces about 40% of pre-retirement earnings.
  The average monthly Social Security retirement check in 2018 is $1,404 ($1,377 in 2017)

- Social Security is the foundation on which to build retirement security; you’ll also need pension & savings
A Foundation for Planning Your Future

- Other Income
- Insurance
- Investments
- Pensions
- IRA
- Work
- Savings

Social Security
The Social Security Statement

“The Future’s In Your Hands”

Prevent identity theft - verify your number

Your Social Security Statement

Prepared especially for Wanda Worker

October 1, 2002

What Social Security Means to You

We hope this Social Security Statement will answer any Social Security questions you may have or the questions of someone you know.
Your Online Account ... Your Control ... socialsecurity.gov/myaccount

Someday is here.
Discover your benefits. Open a *my* Social Security account.

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

Join the millions and discover your benefits.
Open a *my* Social Security account.

What’s your #Someday?

SocialSecurity.gov
my Social Security Services

If you don’t get benefits, you can—

- View, save, and print your online Social Security Statement.

If you do get benefits you can—

- Get your benefit verification letter;
- Check your benefit and payment information and your earnings record;
- Change your address and phone number; and
- Start or change your direct deposit.
Your Online Social Security Statement Provides

- Estimates of your retirement and disability benefits;
- Estimates of benefits for your family when you receive Social Security or die;
- A list of your lifetime earnings according to Social Security’s records;
- The estimated Social Security and Medicare taxes you’ve paid;
- Information about qualifying and signing up for Medicare; and
- A printable version of your Social Security Statement.
Getting Started

How to create a *my* Social Security account

**Step 1**

Visit [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount) and select: *my* Social Security

**Step 2**

Select “Create An Account.”
Getting Started
How to create a *my Social Security* account

**Step 3**
Provide some personal information to verify your identity.

**Step 4**
Choose a username and password to create your account.
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.
Use the Retirement Estimator

- Convenient, secure, and quick financial planning tool
- Immediate and accurate benefit estimates
- Lets you add your own custom estimates by changing your stop work age and future earnings.

www.socialsecurity.gov/estimator
Information We Need

Please provide the following information:

Enter your full name: [John]

First name, middle initial, if any, last name, Suffix, if any

Other last name:

For example, your name as shown on a recent letter from Social Security or your maiden name

Enter Your Social Security number: [999999999]

Enter numbers without dashes, for example, 123456789

Select your date of birth: [February 14, 1949]

Place of birth:

U.S. State or Territory [DC District of Columbia]

Or Foreign Country

Mother's Maiden Name: [Smith]

Last name only
## Sample Retirement Estimator

### Your Retirement Benefit Estimate

The age that you start your benefits determines how much you receive each month.

We created estimates for you at three common retirement ages using your earnings information. You can also add your own custom estimates by changing your stop work age and future earnings.

<table>
<thead>
<tr>
<th>If you start your benefits:</th>
<th>And you earn an average of:</th>
<th>Your benefit will be about:</th>
<th>Actions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>At age 64</td>
<td>$0 a year</td>
<td>$1,219 a month</td>
<td>Edit</td>
</tr>
<tr>
<td>(from now until age 64)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At age 70</td>
<td>$80,000 a year</td>
<td>$2,722 a month</td>
<td>Edit</td>
</tr>
<tr>
<td>(from now until age 70)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At age 62</td>
<td>$80,000 a year</td>
<td>$1,073 a month</td>
<td>Edit</td>
</tr>
<tr>
<td>(from now until age 50)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At full retirement</td>
<td>$80,000 a year</td>
<td>$2,159 a month</td>
<td>--</td>
</tr>
<tr>
<td>(age 67)</td>
<td>(from now until full retirement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At age 70</td>
<td>$80,000 a year</td>
<td>$2,722 a month</td>
<td>--</td>
</tr>
<tr>
<td>(from now until age 70)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At age 62</td>
<td>$80,000 a year</td>
<td>$1,459 a month</td>
<td>--</td>
</tr>
<tr>
<td>(from now until age 62)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator)
How to Qualify for Social Security Retirement

- Must be at least 62 years of age
- Earned at least 40 Social Security Credits
- In 2018, $1,320 in earnings equals one credit
- You can earn a maximum of 4 credits per calendar year

Example: To earn 4 credits in 2018, you must earn at least $5,280. Earning 40 credits throughout your working lifetime will qualify you for a retirement benefit.
Calculating the Retirement Benefit

- All earnings where Social Security taxes were paid are used to compute benefits.

- The highest 35 years of earnings are used in the calculation.

- There is a limit in how much earnings are taxed for Social Security each year, and counted towards the calculation.

- In 2018, the maximum amount taxable for Social Security is $128,400 ($127,200 in 2017).

- Because of these maximum limits, a maximum monthly payment of $2,788 can be yielded in 2018 ($2,687 in 2017).
When Do Benefits Begin?

• As early as age 62 (reduction in benefits)

• At Full Retirement Age (no reduction-100%)

• Delayed retirement (increase in benefits up to age 70)

(Or any month in between these intervals)
<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Full Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</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 &amp; later</td>
<td>67</td>
</tr>
</tbody>
</table>
No matter what your full retirement age is, you may start receiving benefits as early as age 62.

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Full Retirement Age</th>
<th>Age 62 Reduction Months</th>
<th>Monthly % Reduction</th>
<th>Total % Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937 or earlier</td>
<td>65</td>
<td>36</td>
<td>.566</td>
<td>20.00</td>
</tr>
<tr>
<td>1938</td>
<td>65 and 2 months</td>
<td>38</td>
<td>.548</td>
<td>20.83</td>
</tr>
<tr>
<td>1939</td>
<td>65 and 4 months</td>
<td>40</td>
<td>.541</td>
<td>21.67</td>
</tr>
<tr>
<td>1940</td>
<td>65 and 6 months</td>
<td>42</td>
<td>.535</td>
<td>22.50</td>
</tr>
<tr>
<td>1941</td>
<td>65 and 8 months</td>
<td>44</td>
<td>.530</td>
<td>23.33</td>
</tr>
<tr>
<td>1942</td>
<td>65 and 10 months</td>
<td>46</td>
<td>.525</td>
<td>24.17</td>
</tr>
<tr>
<td>1943--1954</td>
<td>66</td>
<td>48</td>
<td>.520</td>
<td>25.00</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 months</td>
<td>50</td>
<td>.516</td>
<td>25.84</td>
</tr>
<tr>
<td>1956</td>
<td>66 and 4 months</td>
<td>52</td>
<td>.512</td>
<td>26.66</td>
</tr>
<tr>
<td>1957</td>
<td>66 and 6 months</td>
<td>54</td>
<td>.509</td>
<td>27.50</td>
</tr>
<tr>
<td>1958</td>
<td>66 and 8 months</td>
<td>56</td>
<td>.505</td>
<td>28.33</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 months</td>
<td>58</td>
<td>.502</td>
<td>29.17</td>
</tr>
<tr>
<td>1960 and later</td>
<td>67</td>
<td>60</td>
<td>.500</td>
<td>30.00</td>
</tr>
</tbody>
</table>
What if I Take My Benefits Early?
(Before the Full Retirement Age)

Benefits are PERMANENTLY reduced if payments are collected before your Full Retirement Age.
<table>
<thead>
<tr>
<th></th>
<th><strong>2018</strong></th>
<th><strong>You Can Make Up To</strong></th>
<th><strong>If You Make More, Some Benefits Will Be Withheld</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Calendar Year</strong></td>
<td><strong>2018</strong></td>
<td><strong>You Can Make Up To</strong></td>
<td><strong>If You Make More, Some Benefits Will Be Withheld</strong></td>
</tr>
<tr>
<td>Under Full Retirement Age</td>
<td>$17,040 ($1,420/mo.)</td>
<td>$1 for every $2</td>
<td></td>
</tr>
<tr>
<td>Months Before Full Retirement Age</td>
<td>$45,360 ($3,780/mo.)</td>
<td>$1 for every $3</td>
<td></td>
</tr>
<tr>
<td>Month of Full Retirement Age &amp; Above</td>
<td>No Limit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What Income Counts Toward the Limit

- **Gross wages from work or net self employment**

- **Pensions, IRA’s, 401k, Interest, Dividends, Stocks, Bonds, Mutual Funds, Unemployment, and other Investment Income do not count towards this limit**
### Benefits for Your Family When You Retire

#### Your Spouse
- **At age 62**
- **At any age if caring for child under 16 or disabled**
- **Divorced spouses may qualify**
  - age 62, married 10 years to the worker, & currently unmarried
  - worker can be re-married & does not have to be receiving benefits yet

#### Your Child
- **Not married under 18**
  (under 19 if still in high school)
- **Not married and disabled before age 22**
Benefits for Your Family When You Retire

- Each eligible family member receives 50% of your unreduced benefit, in addition to your payment.

- However there is a Family Maximum payable on each Social Security record.

- Benefits payable to a divorced spouse do not reduce your payment or count against your family limit.

- A spouse or divorced spouse who is eligible on their own record will receive their own benefit or 50% of yours, whichever is greater, but NOT both.

- Separate work limits will apply for each eligible family member collecting on your record.
Divorced?

• *If married 10 years to former spouse and not currently married, benefits can be received from ex-spouse unless own benefit is higher* (Widows and ex-widows can re-marry after age 60)

• *Does not matter if the worker has remarried*

• *Worker’s remarriage does not reduce ex-spouse’s benefits or the new spouse’s benefits*
Survivor Benefits for Your Family

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
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.
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
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
Applying for Disability Benefits

You can apply online for Disability Benefits by visiting www.socialsecurity.gov and clicking “Benefits”
File a Disability Application Online Now

Click Here
To file a Reconsideration or Hearing on a Disability Application
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

Part A: Hospital Insurance
- Covers most inpatient hospital expenses
- No monthly premium with 40 SS or Medicare credits
- 2018 Deductible: $1,340* for up to 60 days in the hospital
  $335* daily deductible for days 61 through 90
  $670* daily deductible for days 91 through 150
  ( *without an employer health plan or Medi-gap policy)

Part B: Supplementary Medical Insurance
- Covers 80% doctor bills & other outpatient medical expenses after $183 in approved charges.
- 2018 Monthly Premium $134.00*

Part D: Medicare Prescription Drug Plan
- Covers a major portion of prescription drug costs for Medicare beneficiaries.
- 2018 average Monthly Premium $72.00
- Annual deductible and co-payments vary by plan

www.medicare.gov or 1-800-MEDICARE
When Can I Sign Up for Medicare Part B?

Part B Medicare Enrollment Periods:

- Initial Enrollment – 3 months before and after age 65
- Special Enrollment - if still working or spouse is still working
- General Enrollment* - January-March; becomes effective July

*10% Penalty for every 12 months of delayed filing of Part B
The Special Enrollment Period

- You can sign up for Part B at any time if you are:
  - still working and have health insurance through your employer
    OR
  - your spouse is still working and you have health coverage with their employer

*Note: A retiree health plan does not count!*

- Part B coverage will begin the month after enrollment.

- If employment terminates, you have up to 7 months after the month of termination to sign up for Part B. (8 months total)

- After 7 months have passed, you no longer qualify for Special Enrollment.
New Part B Premiums in 2018

- Medicare beneficiaries with income greater than $85,000 ($170,000/couple)
  Part B Premiums in 2018 will be calculated on a sliding scale based on the
  modified adjusted gross income reported on IRS tax returns

- Under $85,000 ($170,000/couple): Part B premium $134.00
  $85,000-$107,000 ($170,000-$214,000/couple): Part B premium $187.50
  $107,000-$160,000 ($214,000-$320,000/couple): Part B premium $267.90
  $160,000-$214,000 ($320,000-$428,000/couple): Part B premium $348.30
  Over $214,000 ($428,000/couple): Part B premium $428.60

- Automated data from IRS used to calculate the premium

- Income from two years prior will be used to compute the premium
  (i.e. modified adjusted gross income for 2016 used to calculate the premium in 2018)

- Appeals available if income has changed due to divorce, death of a spouse,
  retirement, natural disaster, etc.
New Medicare Prescription Drug Plan (Part D)

• Must have Medicare Part A or Part B
  . Initial enrollment period is at age 65.

• Annual Enrollment Period: October 15–December 7

• Voluntary Plan; do NOT need a Part D plan if already have a prescription drug plan equal or better than Part D

• However 1% monthly premium increase applies for delayed filing if beneficiary does not have a prescription drug plan equal or better than Part D.

• Extra Help available for limited income beneficiaries to help pay Part D premium, deductibles and copayments.
Click Here To file for Medicare

Need Extra Help Paying for a Medicare Part D Prescription Plan Costs?
Click here to see if you qualify

Lost your Medicare Card?
Click here to request a new one

A word about Medicaid

You may think that Medicaid and Medicare are the same. Actually, they are two different programs. Medicaid is a state-run program that provides hospital and medical coverage for people with low income and little or no resources. Each state has its own rules about who is eligible and what is covered under Medicaid. Some people qualify for both Medicare and Medicaid. For more information about the Medicaid program, contact your local medical assistance agency, social services or welfare office.
For More Medicare Information

1-800-MEDICARE
(1-800-633-4227)
TTY 1-877-486-2048
www.medicare.gov
The Affordable Care Act and You

- President Obama signed the Affordable Care Act into law March 23, 2010.

- Key parts of the Affordable Care Act took effect January 1, 2014.

- Every plan will offer comprehensive coverage – from doctors’ visits to medications to hospital visits.

- If your employer doesn’t offer health insurance, you can buy insurance directly at the “Marketplace,” available at www.healthcare.gov.
Your Benefits Can Be Taxable

About 1/3 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.

Federal tax withholding is optional.
Benefits Can Be Taxable

Individual Tax Return
- $25,000 to $34,000
  50% of Social Security Benefits are Taxable
- Over $34,000
  85% of Social Security Benefits are Taxable

Married Filing a Joint Tax Return
- $32,000 to $44,000
  50% of Benefits are Taxable
- Over $44,000
  85% of Benefits are Taxable
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
Social Security’s Online Services

- Retirement/Spouses & Disability Applications
- Retirement/Survivors/Disability Planner
- Medicare Card Replacements
- Request a Statement
- Request a Benefit Verification Letter
- Change of Address

www.socialsecurity.gov
How much could I get from Social Security?
Create a my Social Security account today and find out

my Social Security
Check out your Social Security Statement, change your address & manage your benefits.

Online Services
Whether you are applying for or receiving benefits, learn what you can do online.

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

FAQs
Get answers to frequently asked questions about Social Security.
Click Here to recalculate your benefits.

Does the pension offset apply to your Social Security retirement benefits?

Does the pension offset apply to your Social Security spousal benefits?
To apply for a REAL ID card, you will need to provide, among other documents, proof of a Social Security Number (examples: SSN card, W-2, paystub with full SSN).

The easiest way to request a replacement Social Security card is to go online. Open and use your online my Social Security account to get a replacement Social Security card.

www.SocialSecurity.gov/ssnumber

California DMV offers federally compliant REAL ID driver’s licenses or identification cards starting January 22, 2018.
You can use your online my Social Security account any time, from anywhere, to apply for a replacement Social Security card if you:

- Are a U.S. citizen age 18 or older;
- Have a valid driver's license or a state-issued identification card from a qualifying state*;
- Have a U.S. mailing address (this includes APO, FPO, and DPO addresses); and
- Don’t require changes to your name, date of birth, or gender.

* California is a qualifying state. Visit www.socialsecurity.gov/ssnumber for a list of other qualifying states.

If you must apply for a Social Security card in person, visit www.SocialSecurity.gov/locator to find an office near you.
Visit Our Website or Call!

1-800-772-1213

www.socialsecurity.gov
With you through life’s journey…

Securing today and tomorrow

Visit www.SocialSecurity.gov today!