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
How Do You Qualify for Retirement Benefits?

- You need to work to earn Social Security “credits”
- Each $1,220 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

Example: To earn 4 credits in 2015, you must earn at least $4,880. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit.

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

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
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

Full Retirement Age

<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>

What You Can Expect at Full Retirement Age

- Low Earner: 55% Prereirement % of Earnings
- Average Earner: 41% Prereirement % of Earnings
- High Earner: 34% Prereirement % of Earnings
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”

If your average monthly earnings are $5,200
Then your monthly benefit would be $2,105

Average Monthly Earnings $5,200
99% of First $826 = $743
32% of Earnings over $826 through $4,980 ($4,980 - $826 = $4,154) = $1,329
15% of Earnings over $4,980 $220 = $33

$5,200 $2,105

2015 Retirement Benefit Computation Example

Social Security Cost-of-Living Adjustments

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1975</td>
<td>8.8%</td>
</tr>
<tr>
<td>June 1976</td>
<td>6.4%</td>
</tr>
<tr>
<td>June 1977</td>
<td>5.9%</td>
</tr>
<tr>
<td>June 1978</td>
<td>6.5%</td>
</tr>
<tr>
<td>June 1979</td>
<td>9.9%</td>
</tr>
<tr>
<td>June 1980</td>
<td>14.3%</td>
</tr>
<tr>
<td>June 1981</td>
<td>11.2%</td>
</tr>
<tr>
<td>June 1982</td>
<td>7.6%</td>
</tr>
<tr>
<td>Dec 1983</td>
<td>3.5%</td>
</tr>
<tr>
<td>Dec 1984</td>
<td>3.5%</td>
</tr>
<tr>
<td>Dec 1985</td>
<td>3.1%</td>
</tr>
<tr>
<td>Dec 1986</td>
<td>1.6%</td>
</tr>
<tr>
<td>Dec 1987</td>
<td>4.2%</td>
</tr>
<tr>
<td>Dec 1988</td>
<td>4.0%</td>
</tr>
<tr>
<td>Dec 1989</td>
<td>4.7%</td>
</tr>
<tr>
<td>Dec 1990</td>
<td>5.4%</td>
</tr>
<tr>
<td>Dec 1991</td>
<td>3.7%</td>
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<tr>
<td>Dec 1992</td>
<td>3.8%</td>
</tr>
<tr>
<td>Dec 1993</td>
<td>2.6%</td>
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<tr>
<td>Dec 1994</td>
<td>2.8%</td>
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<tr>
<td>Dec 1995</td>
<td>2.6%</td>
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<tr>
<td>Dec 1996</td>
<td>2.9%</td>
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<tr>
<td>Dec 1997</td>
<td>2.1%</td>
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<tr>
<td>Dec 1998</td>
<td>1.3%</td>
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<td>Dec 1999</td>
<td>2.5%</td>
</tr>
<tr>
<td>Dec 2000</td>
<td>2.9%</td>
</tr>
<tr>
<td>Dec 2001</td>
<td>1.4%</td>
</tr>
<tr>
<td>Dec 2002</td>
<td>1.0%</td>
</tr>
<tr>
<td>Dec 2003</td>
<td>1.4%</td>
</tr>
<tr>
<td>Dec 2004</td>
<td>2.0%</td>
</tr>
<tr>
<td>Dec 2005</td>
<td>1.5%</td>
</tr>
<tr>
<td>Dec 2006</td>
<td>3.3%</td>
</tr>
<tr>
<td>Dec 2007</td>
<td>2.3%</td>
</tr>
<tr>
<td>Dec 2008</td>
<td>5.8%</td>
</tr>
<tr>
<td>Dec 2009</td>
<td>3.0%</td>
</tr>
<tr>
<td>Dec 2010</td>
<td>4.8%</td>
</tr>
<tr>
<td>Dec 2011</td>
<td>6.6%</td>
</tr>
<tr>
<td>Dec 2012</td>
<td>3.6%</td>
</tr>
<tr>
<td>Dec 2013</td>
<td>1.5%</td>
</tr>
<tr>
<td>Dec 2014</td>
<td>1.5%</td>
</tr>
</tbody>
</table>
Value of Inflation Protection

Example: Worker with average pre-retirement income of $30,000
(Retiring at age 66 in 2015)

1st Year of Retirement
- Pension: $13,000/50%
- Social Security: $13,000/50%
- Inflation: 3% per year

Value of Inflation Protection

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

5th Year of Retirement
- Pension: $13,000/47%
- Social Security: $14,632/53%

10th Year of Retirement
- Pension: $13,000/43%
- Social Security: $16,962/57%

20th Year of Retirement
- Pension: $13,000/36%
- Social Security: $22,796/64%

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
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

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

Retirement Strategies

File and Suspend
Upon reaching full retirement age, a married individual may claim his/her retirement benefit & then immediately suspend payment. This will allow his/her spouse to claim a spousal benefit while the individual continues to work & earn delayed retirement credits

Claim Now, Claim More Later
At full retirement age, a married individual can claim a spousal benefit & then switch to his/her own retirement benefit at a later date thus building up delayed retirement credits, which will result in a higher retirement benefit.
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

my Social Security

Your Online Account ... Your Control ...
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.

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.
**my Social Security Services**

If you don’t get benefits, you can—
- 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.

If you do get benefits you can—
- Check your benefit and payment information and verify your earnings record;
- Change your address and phone number; and
- Start or change your direct deposit.
- Get a replacement SSA-1099 or SSA-1042S for tax season.
- Get a replacement Medicare Card.

**Online Benefit Verification Letter**

With *my Social Security* you can get your benefit verification letter online and use it as official proof of:
- Your income when you apply for a loan or mortgage, assisted housing, or other state or local benefits;
- Your current Medicare health insurance coverage;
- Your retirement or disability status; and
- Your age.
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.

Windfall Elimination Provision (WEP) - 2015

<table>
<thead>
<tr>
<th>Normal Computation</th>
<th>WEP Computation</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% of the First $826</td>
<td>40% of the First $826</td>
</tr>
<tr>
<td>32% of the Next $4,154</td>
<td>32% of the Next $4,154</td>
</tr>
<tr>
<td>15% of the Remainder</td>
<td>15% of the Remainder</td>
</tr>
</tbody>
</table>

Exception to the Windfall Elimination Provision

<table>
<thead>
<tr>
<th>Years of Social Security Coverage</th>
<th>% of First Factor in Benefit Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 or more</td>
<td>90</td>
</tr>
<tr>
<td>29</td>
<td>85</td>
</tr>
<tr>
<td>28</td>
<td>80</td>
</tr>
<tr>
<td>27</td>
<td>75</td>
</tr>
<tr>
<td>26</td>
<td>70</td>
</tr>
<tr>
<td>25</td>
<td>65</td>
</tr>
<tr>
<td>24</td>
<td>60</td>
</tr>
<tr>
<td>23</td>
<td>55</td>
</tr>
<tr>
<td>22</td>
<td>50</td>
</tr>
<tr>
<td>21</td>
<td>45</td>
</tr>
<tr>
<td>20 or fewer</td>
<td>40</td>
</tr>
</tbody>
</table>

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

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

You Can Work & Still Receive Benefits

<table>
<thead>
<tr>
<th>If You Are</th>
<th>You Can Make Up To</th>
<th>If You Make More, Some Benefits Will Be Withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Full Retirement Age</td>
<td>$15,720/yr. (1.310/mo.)</td>
<td>$1 for every $2</td>
</tr>
<tr>
<td>The Year Full Retirement Age is Reached</td>
<td>$41,880/yr. (3,490/mo.)</td>
<td>$1 for every $3</td>
</tr>
<tr>
<td>Month of Full Retirement Age and Above</td>
<td>No Limit</td>
<td>No Limit</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.
How Do I Apply for Retirement Benefits?

- Apply online at 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.

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
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

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

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
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

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
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

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.

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.
Applying for Disability Benefits

You can apply online for Disability Benefits by visiting www.socialsecurity.gov and clicking “Benefits”

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)

Improved Online Appeals Process

Enhancements:
- Ability to upload documents electronically
- Accepting online appeals from people living outside the United States
- Redundant keying eliminated
- Improved navigation and on-screen help
- Use of plain language principles
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.

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
- or
- Exposure to Environmental Health Hazards

Medicare Has Four Parts

**Part A - Hospital Insurance**
- Covers most inpatient hospital expenses
- 2015 deductible $1,260

**Part B - Medical Insurance**
- Covers 80% doctor bills & other outpatient medical expenses after 1st $147 in approved charges
- 2015 standard monthly premium $104.90
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

When Can I Sign Up for Medicare Part B?

Medicare Enrollment Periods:
- Initial – at age 65
- Special – if still working
- General – January-March

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.
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

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
- 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

For More Medicare Information

1-800-MEDICARE
(1-800-633-4227)
TTY 1-877-486-2048
www.medicare.gov
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

Social Security’s Online Services
www.socialsecurity.gov

- Review your Social Security Statement
- Change of Address and Phone Number
- Get a Benefit Verification Letter
- Start or Change Direct Deposit
- Retirement Estimator
- Retirement & Disability Applications
- Medicare Online
- Apply for Extra Help With Medicare Drug Plan Costs
- Retirement/Survivors/Disability Planner
- Medicare Card Replacements
- Get a replacement SSA-1099/SSA-1042S

Social Security Engages on Social Media

- Discover us on Facebook, Twitter, YouTube, and Pinterest
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- Sign-up to get emails and SMS/Texting when we update popular www.socialsecurity.gov web pages