

SOCIAL SECURITY OVERVIEW

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**ROAD TO
RETIREMENT**

PLANNING YOUR RETIREMENT
FROM INDIANA UNIVERSITY

Quick Housekeeping Items

Before we get started...

- **Session will *not* be recorded**; however, a PDF of the slides is available on the Road to Retirement website at hr.iu.edu/benefits/road-to-retire.html.
- All attendees have been placed on mute. If you have technical issues, please message an IUHR representative in the chat for assistance.
- Watch the chat for helpful links to additional information.
- **Please put QUESTIONS in the Q&A BOX.** Please do not put any questions related to a personal situation in the Q&A.
- At the end of today's session, you will be prompted to complete a short survey.





Understanding Social Security Retirement, Spouse, & Survivors Benefits 2023

Note: This event is public. Please do not share any personal information, such as dates of births or social security numbers, about yourself or others during the event.



Securing today
and tomorrow

Presented by:

Charo Boyd
Public Affairs Specialist
Social Security

Produced at U.S. taxpayer expense



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Beware of Social Security Phone Scams



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Telephone scammers are pretending to be government employees. They may threaten you and may demand immediate payment to avoid arrest or other legal action. Do not be fooled!

If you receive a suspicious call:

- 1. HANG UP!**
- 2. DO NOT GIVE THEM MONEY OR PERSONAL INFORMATION!**
- 3. REPORT THE SCAM AT [OIG.SSA.GOV](https://oig.ssa.gov)**



What to look out for



The caller says there is a **problem** with your Social Security number or account.



Scammers **pretend** they're from Social Security or another government agency. Caller ID or documents sent by email may look official but **they are not**.



Any call asking you to pay a fine or debt with retail gift cards, cash, wire transfers, or pre-paid debit cards.



Callers threaten you with arrest or other legal action.

Be Alert

Social Security may call you in some situations but will **never**:

- » Threaten you
- » Suspend your Social Security Number
- » Demand immediate payment from you
- » Require payment by cash, gift card, pre-paid debit card, or wire transfer

Be Active

Protect yourself and your friends and family!

- » If you receive a questionable call, just hang up and report the call at oig.ssa.gov
- » Learn more at oig.ssa.gov/scam
- » Share this information with others





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my Social Security – Registration

Social Security Benefits Medicare

Create your personal *my* Social Security account today

A free and secure *my* Social Security account provides personalized tools for everyone, whether you receive benefits or not. You can use your account to request a replacement Social Security card, check the status of an application, estimate future benefits, or manage the benefits you already receive.

[Create an Account](#) [Sign In](#)

[Finish Setting Up Your Account](#)

Step 1: Visit ssa.gov/myaccount

Step 2: Sign in or Create An Account

With a *my* Social Security Account :

- Check your application status online;
- Get your benefit verification letter;
- Change your address and phone number;
- Start or change your direct deposit;
- Request a replacement Social Security card;
- Get your SSA-1099 and much more!



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

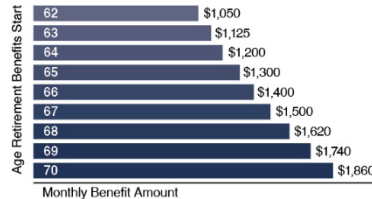
You have earned enough credits to qualify for disability benefits. If you became disabled right now, your monthly payment would be about **\$1,656 a month**.

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](https://my.ssa.gov). 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](https://ssa.gov) | Follow us on social media ssa.gov/socialmedia

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



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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.

If you start your benefits:	And you earn an average of:	Your benefit will be about:
At age 65	\$45,000 a year (from now until age 65)	\$1,434 a month
At full retirement (age 67)	\$40,000 a year (from now until full retirement)	\$1,525 a month
At age 70	\$40,000 a year (from now until age 70)	\$1,891 a month
At age 62	\$40,000 a year (from now until age 62)	\$1,040 a month

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



How You Qualify for Benefits

- You need to work to earn Social Security “credits”
- Each \$1,640 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



Example: To earn 4 credits in 2023, you must earn at least **\$6,560**. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit.



How Social Security Determines Your Benefit

Social Security benefits are based on your lifetime earnings

- **Step 1** –We adjust or “index” your actual earnings to account for changes in average wages over time
- **Step 2** –We find your average indexed monthly earnings using the 35 years in which you earned the most (do not need to be consecutive and do not need to be most recent)
- **Step 3** –We apply a formula to your “average indexed monthly earnings” and arrive at your basic benefit or primary insurance amount





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

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

If You're a Worker and Start Retirement Benefits

- At age 62, you get a permanent lower monthly payment
- At your full retirement age, you get your full benefit
- After your full retirement age, you get an even higher monthly payment for delaying



You Can Work and Receive Benefits

If You Are	You Can Make Up To	If You Make More, Some Benefits Will Be Withheld
Under FRA* in 2023	\$21,240/yr. (\$1,770/mo.)	\$1 for every \$2
Turning FRA in 2023	\$56,520/yr. (\$4,710/mo.)	\$1 for every \$3
Month You Attain Full Retirement Age & Continuing	No Limit	No Limit

*FRA = Full Retirement Age

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.



Earnings Test Calculator

www.ssa.gov/OACT/COLA/RTeffect.html

Retirement Earnings Test Calculator

Automatic Determinations

Complete the form to see the effect of the Retirement Earnings Test on retirement benefits.

Please note that the retirement earnings test always uses the *normal (full) retirement age applicable to retired workers*.

[Exempt amounts](#) under the Retirement Earnings Test

Enter your **date of birth**: Month Day Year

Your **estimated earnings**: \$

If you reach your [normal \(or full\) retirement age](#) this year, enter only those earnings made prior to the month you reach this age. The retirement earnings test does not apply once you reach normal retirement age.

Your estimated **monthly benefit**: \$ (before application of the retirement test)

Is the current year the first year you are receiving benefits?
 Yes No

Note: [special rules](#) apply in the first year you retire.



www.ssa.gov/pubs/EN-05-10063.pdf

2023



Special Payments After Retirement

Bonuses, Vacation Pay, Commissions, Sick Pay,
Insurance Commissions, Carryover Crops, and Other Special Payments

What are “special payments”?

After you retire, you may receive payments for work you did before you started to receive Social Security benefits. Usually, those payments will not affect your Social Security benefit if they are for work done before you retired. This fact sheet describes some of the more common types of special payments, helps you to decide if you received any, and tells you what steps to take if you did.

What qualifies as a special payment?

If you worked for wages, income received after retirement counts as a special payment. This applies if the last task you did to earn the payment was completed before you stopped work. Some special payments to employees include bonuses, accumulated vacation or sick pay, severance pay, back pay, standby pay, sales commissions, and retirement payments. Another example of a special payment is deferred compensation reported on a W-2 form for 1 year but earned in a previous year. These amounts **may** be on your W-2 in the box labeled “Nonqualified Plan.”

If you were self-employed, any net income you

How do earnings limits affect benefits?

If a person who gets Social Security retirement benefits is younger than their full retirement age, there are limits to how much they can earn from work before it affects their benefits. Your full retirement age varies based on the year you were born. You can visit www.ssa.gov/benefits/retirement/planner/ageincrease.html to find your full retirement age. We reduce benefits, if earnings exceed certain limits.

- If you are younger than your full retirement age, we deduct \$1 in benefits for each \$2 you earn above the earnings limit. In 2023, the limit is \$21,240.
- In the year you reach your full retirement age, we reduce your benefits \$1 for every \$3 you earn above the earnings limit. In 2023, the limit is \$56,520.
- Starting with the month you reach full retirement age you can receive full benefits no matter how much money you earn.

If you think you received a special payment



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Other Benefits on the Retiree's Record

www.ssa.gov/benefits/retirement/planner/applying7.html

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





Spouse's Benefit Computation

www.ssa.gov/benefits/retirement/planner/applying7.html#h2

50% - Spousal benefits

You could be entitled up to half of your spouse's benefit.

- Benefit is 50% of worker's unreduced benefit
- Permanent 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



Divorced Spouse's Benefits

www.ssa.gov/benefits/retirement/planner/applying7.html#h4

- Marriage lasted at least 10 years
- Be unmarried at the time of filing
- Ex-spouse 62 or older
- Divorced at least two years and you and your ex-spouse are at least 62, you can get benefits even if ex-spouse is not receiving benefits
- Ex-spouse's benefit amount has no effect on the amount the worker or the worker's current spouse can receive





Deemed Filing Rules

www.ssa.gov/benefits/retirement/planner/claiming.html

**For those born
BEFORE
January 2, 1954**

At your full retirement age, you can choose to receive only spouse's benefits and delay receiving your retirement benefit until a later date.

**For those born on
January 2, 1954 or
LATER**

You do not have the option of filing for just spouse's benefits. If you file for spouse's benefits, you must also file for retirement benefits.

Basically, you file for one benefit and you will be effectively filing for all retirement or spousal benefits.



Survivor Benefits

www.ssa.gov/benefits/survivors

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) is protected
- Divorced widows/widowers may qualify

Your Child if:

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





Survivor Benefit Computation

www.ssa.gov/benefits/survivors

100% - Survivor benefit

You could be entitled up to 100% of your deceased spouse's
(divorced spouse's) benefit

- You will be entitled up to 100% of a deceased spouse's (divorced spouse's) benefit or your own, *whichever benefit is higher*
- At full retirement age, **100%** of deceased worker's benefit
- At age 60, **71.5%** of deceased worker's benefit
(remember there is a permanent reduction for starting benefits early)
- Option to reduced benefits on one record and switch to other record later



Social Security Benefits and Taxation

www.ssa.gov/benefits/retirement/planner/taxes.html

If you file a “**joint return**” and your combined income ** is:

- Between \$32,000 and \$44,000, you have to pay income tax on up to 50% of your benefits.
- More than \$44,000, up to 85% of your benefits may be taxable.

If you file as an “**individual**” and your combined income ** is:

- Between \$25,000 and \$34,000, you have to pay income tax on up to 50% of your benefits.
- More than \$34,000, up to 85% of your benefits may be taxable.

** Combined income is:
$$\begin{aligned} &\text{Your adjusted gross income} \\ &\quad + \text{Nontaxable interest} \\ &\quad + \frac{1}{2} \text{ of your Social Security} \\ &= \text{Your “Combined Income”} \end{aligned}$$



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2023 Retirement Benefit Formula

If your average monthly earnings are = **\$7,000**

Then your full monthly benefit would be = **\$2,839**



90% of First..... **\$1,115 = \$1,003**



32% of Earnings over \$1,115 through \$6,721..... **\$5,606 = \$1,794**
(\$6,721-\$1,115 = \$5,606)



15% of Earnings over \$6,721..... **\$279 = \$42**
(\$7,000-\$6,721 = \$279)

\$7,000 = \$2,839

**Payments rounded to whole dollar amounts*



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Special Rules Affecting Non-Covered Pensions

www.ssa.gov/benefits/retirement/planner/gpo-wep.html

When part of your pension is from work not covered by Social Security two laws may affect your Social Security benefit amount:

- **Windfall Elimination Provision (WEP) applies when you have at least 40 Social Security credits and you are eligible for Social Security benefits on your own work record**
- **Government Pension Offset (GPO) applies only to Social Security spouse or widow(er)'s benefits**



Applying for Benefits



Online www.ssa.gov



By phone 1-800-772-1213

If deaf or hard of hearing, call Social Security's TTY number, 1-800-325-0778.




Local office information (www.ssa.gov/locator)

You choose the most convenient option for you!

- You can apply for benefits three months before you want your payments to start.
- Benefits are paid the month after they are due.
(Go to <https://www.ssa.gov/pubs/EN-05-10031.pdf> for a payment calendar)

Note: Child and survivor claims can only be done by phone or in a field office (not online)

 [What should I do if I get a call claiming there's a problem with my Social Security number or account?](#)



Social Security

Benefits ▾

Medicare ▾

Card & record ▾

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Prepare

Check eligibility for benefits

Plan for retirement



Apply

Apply for benefits

Sign up for Medicare

After you apply

Check application or appeal status

Appeal application decision

Feedback

Manage benefits & information



Documents

Get benefit verification letter

Get tax form (1099/1042s)



Number & card

Replace card

Request number for the first time

Report stolen number



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SSA.gov

Disclaimer

This information is current at the time of the presentation, but Social Security policy is subject to change. Please visit [SSA.gov](https://www.ssa.gov) for up-to-date information on our programs.

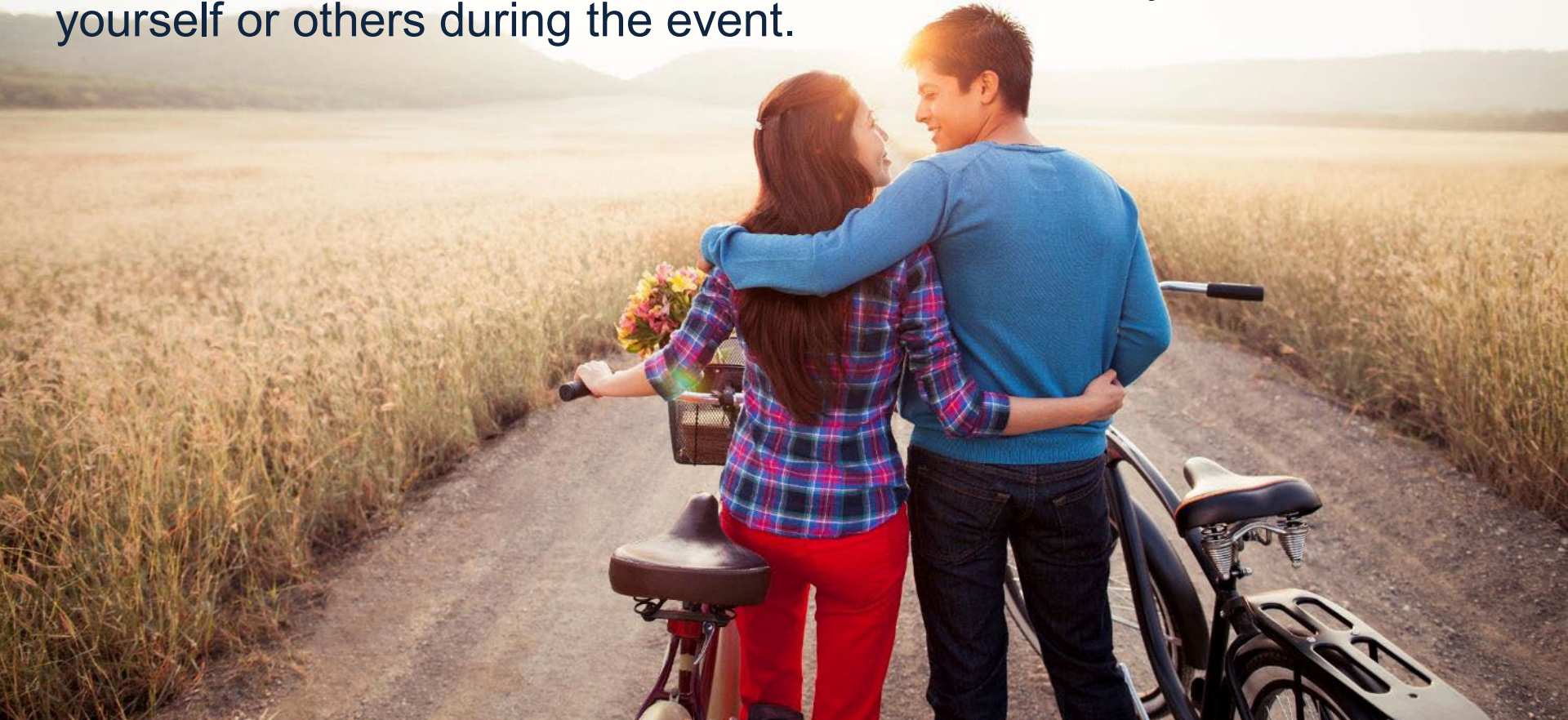


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Q&A Session

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Upcoming Road to Retirement Sessions

Register at: hr.iu.edu/benefits/road-to-retire.html

- **September 14** – Navigating Medicare Part D Coverage
- **September 15** – Medicare Basics: The ABC's and D's
- **September 21** – IU Retiree Status & Benefits
- **October 4 & 5** – PERF—Understand the Two Parts of the Plan
- **October 6** – Fundamentals of Retirement Income Planning
- **October 17** – Prepare for the Reality of Healthcare in Retirement
- **November 9** – PERF—Understand the Two Parts of the Plan
- **December 6** – Social Security Overview



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ROAD TO RETIREMENT
PLANNING YOUR RETIREMENT
FROM INDIANA UNIVERSITY