

Social Security



A Financial Foundation For Families

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Thinking of Retiring? Planning is Key

- Deciding the “right” age to claim benefits for you and your family
- How working after retirement can affect benefits
- Medicare considerations
- Online retirement estimator
- How to apply online **Social Security Retirement Planner** for benefits

When To Start Receiving Retirement Benefits

As Social Security nears retirement, “What Age To Start Receiving Retirement Benefits?” The answer is that there is no one right age. It depends on your health, your income, your family needs, and your retirement goals. We hope the following information will help you make the best decision for you and your family.

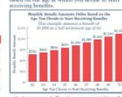
Your decision is personal. It should be the best for you to begin receiving benefits when you are ready to stop working. You should make an informed decision about when to start receiving benefits based on your health, your income, your family needs, and your retirement goals. We hope the following information will help you make the best decision for you and your family.

Monthly benefits increase with age. The longer you wait to start receiving benefits, the higher your monthly benefit will be. For example, if you start receiving benefits at age 62, your monthly benefit will be about 75% of your full retirement benefit. If you wait until age 70, your monthly benefit will be about 125% of your full retirement benefit.

Let's say you're full retirement age or older and you're already benefit waiting on that age or older. If you choose to start getting benefits at age 62, your monthly benefit will be about 75% of your full retirement benefit. If you wait until age 70, your monthly benefit will be about 125% of your full retirement benefit. This is a good thing to know when you're deciding when to start receiving benefits.

When you decide to start receiving benefits, you should consider your family's needs. If you're the only earner, you may want to wait until you're ready to stop working. If you have a spouse who is also working, you may want to wait until you're both ready to stop working. If you have children, you may want to wait until you're ready to stop working. If you have a spouse who is also working, you may want to wait until you're both ready to stop working. If you have children, you may want to wait until you're ready to stop working.

When thinking about retirement, be sure to plan for the long term. Most of us will live longer than we expect. That means we'll need to have enough money to last for the rest of our lives. That's why it's important to think about retirement in terms of the long term. That means we'll need to have enough money to last for the rest of our lives. That's why it's important to think about retirement in terms of the long term.



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<http://www.socialsecurity.gov/retire2/>

my Social Security

Your Online Account ... Your Control ...

www.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 Create a *my* Social Security Account?

You must be at least 18 years old and have:



- **A valid E-mail address;**
- **A Social Security number; and**
- **A U.S. mailing address.**

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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.**
- **Get SSA 1099/SSA 1042**

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Your Online *Social Security Statement* Provides

- **Estimates of the retirement and disability benefits you may receive;**
- **Estimates of benefits your family may get 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*.**

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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

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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”



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.

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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



- 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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Retirement Strategies

Early or Late Retirement?

Early retirement reduces benefits:

benefit is reduced 5/9 of one percent for each month before your full retirement age, up to 36 months. If the number of months exceeds 36, then the benefit is further reduced 5/12 of one percent per month.

Delayed retirement increases benefits:

Delayed retirement credits increase a retiree's benefits up to 8% a year (for people born 1943 and later). Total increase could be 32%. To receive full credit, you must be insured at your normal retirement age. No credit is given after age 69.

If you decide to start benefits:

- before your full retirement age, your benefit will be smaller but you will receive it for a longer period of time.
- at your full retirement age or later, you will receive a larger monthly benefit for a shorter period of time.

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Retirement Strategies

Voluntary Suspension of Retirement Benefits

If you are full retirement age but not yet age 70

1. If you file an application for benefits and we have not finally adjudicated the claim, you can request **voluntary suspension** of all payments that you would have been entitled to.
2. If you **are already entitled** to benefits, you may voluntarily suspend current or future retirement benefit payments up to age 70 beginning the month after the month that you made the request.
3. Your voluntary suspension does not affect payment to anyone else on the record. If you have a spouse or children who are entitled they will be paid their monthly benefits despite your suspension.
4. You can reinstate your own payments at any time. They will be automatically reinstated when you turn 70 if you do not elect to reinstate them sooner.

Note: You may ask us orally or in writing.

If you are enrolled in Medicare Part B, you will be billed for future Part B premiums.

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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	\$15,720/yr. (\$1,310/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$41,880/yr. (\$3,490/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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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 and unmarried**
(you can be married)
- **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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Spouse's Benefit Computation

- **Benefit is 50% of worker's unreduced benefit if spouse is full retirement age.**
- **Reduction for early retirement (the amount is permanently reduced based on the number of months up to his or her full retirement age).**
- **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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Retirement Strategies - Spouses Benefits

If you or your spouse are full retirement age

- **If you are full retirement age**, you can apply for retirement benefits **and** then request to have payments suspended. That way, your spouse can receive a spouse's benefit and you can continue to earn delayed retirement credits until age 70.
- **If your spouse has reached full retirement age** and is eligible for a spouse's benefit **and** his or her own retirement benefit, your spouse can choose to receive only the spouse's benefit now and delay receiving retirement benefits until a later date. If retirement benefits are delayed, a higher benefit may be received at a later date based on the effect of delayed retirement credits.
- Only one member of a couple can file and elect voluntary suspension to allow the husband/wife to collect as a spouse.

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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.**

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Types of Disability Programs

- Social Security benefits for workers
- Social Security benefits for adults disabled since childhood
- Supplemental Security Income (SSI) for children and adults



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Social Security Benefits for Adults Disabled Prior to Age 22



Benefits can be paid on the record of a disabled, retired

or deceased parent to an unmarried child of any age

if the child became disabled before the age of 22

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Social Security Benefits for Adults Disabled Since Childhood



For a child with a disability to receive benefits on a parents record after age 18, the following rules apply:

The disabling impairment must have started before age 22, and;

He or she must meet the [definition of disability](#) for adults.

Note: [An adult may become eligible for a disabled child's benefit from Social Security](#) later in life.

For example, a worker starts collecting Social Security retirement benefits at age 62. He has a 38-year old son who has had cerebral palsy since birth. The son will start collecting a disabled "child's" benefit on his father's Social Security record.

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1634(c) of the Social Security Act for Disabled Adult Children

DAC continues Eligibility to Medicaid

Requirements:

An individual who was receiving SSI/SSP benefits must meet the following:

Must be over the age of 18

Disability which began before 22

Becomes entitled to benefits on a parent's record due to Retirement, Death, or disability of a parent, and loses SSI/SSP due to receipt or increases in that benefit, and

Would be eligible for SSI/SSP in the absence of Disabled Adult Children benefits

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SSI Benefits for Children

- Supplemental Security Income (SSI) pays benefits to disabled children living in households with limited income and resources
- For eligibility, we look at the income and assets of parent(s) living in the household and those of the child who is disabled
- Income and assets of parent(s) are no longer “deemed” when the child turns age 18



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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, if deceased worker never received reduced benefits**
- **At age 60, 71.5% of deceased worker's unreduced benefit**
- **Reduced benefits as widow(er) at age 60, reduced or unreduced retirement benefits at age 62 or older, for example FRA or age 70.**
- **Full benefits to both widow or widower and divorced widow or widower**

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Retirement Strategies-Retirement vs. Widow's Benefits

- **If you are eligible for both Widows benefits and Retirement Benefits you can choose to take the lower benefit initially (widows if filing at age 60 or either one if filing at age 62 or later) and switch to the higher benefit later.**
- **You may elect to take the higher benefit from the start.**
- **If you elect to take the Widow's Benefit you can delay filing for your own Retirement Benefit to accrue delayed retirement credits. Sometimes the Widow's Benefit at FRA is the higher benefit but the Retirement Benefit will become higher as delayed retirement credits are accrued.**

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