

# *Social Security Retirement Planning*

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*[www.socialsecurity.gov](http://www.socialsecurity.gov)*

# *Social Security, Retirement & You*

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- What you should know before you file for retirement**
  - What you should know after you file for retirement**
  - How working affects benefits**
  - Family benefits (spouses/widow/er)**
  - Medicare**
-



# Social Security

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Looking for one of these?

You can get your Social Security Statement online at **my Social Security**.



**my Social Security**  
 Sign in  
 Create an Account

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 the questions that people most frequently ask about Social Security.



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# *Your Online Account ... Your Control...*

## *my* Social Security

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**[www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount)**



**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?



**my** Social Security

Your Online Account ... Your Control ...

[www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount)



**Create your Social Security account now:**  
Access your *Social Security Statement* to check your earnings and get your benefit estimates.

**If you receive benefits, you also can:**

- Get your benefit verification letter;
- Change your address; and
- Start or change your direct deposit.



Social Security Administration • Social Security Administration • Social Security Administration

be at least 18 years old and have:

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

# *Your Online Social Security Statement Provides*

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- 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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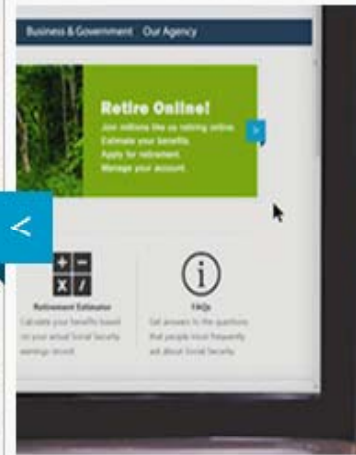
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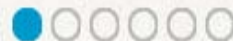


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## Retire Online!

Our retirement expert tells you just how easy is it to apply online.



### my Social Security



Sign in

Create an Account

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



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



#### Retirement Estimator

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## Learn

[Retirement](#)

[Disability](#)

[Medicare](#)

[Survivors](#)

[Supplemental Security Income](#)

[Retirement Estimator](#)

[Calculators](#)

[After Incarceration](#)

[Benefits outside the U.S.](#)

[Spouses](#)

[Children](#)

[Children with Disabilities](#)

[Government Employees](#)

## Apply

[Apply Online for Retirement](#)

[Apply Online for Disability](#)

[Apply Online for Medicare Only](#)

[Extra Help with Medicare prescription drug costs](#)

[Check Application Status](#)

[Appeal a Decision](#)

## Manage

[Benefit Verification Letter](#)

[Change your Address](#)

[Check your Information or Benefits](#)

[Direct Deposit](#)

[Form 1099/1042](#)

[Replacement Medicare Card](#)

[Ticket to Work](#)



[Online Services](#)



[Retirement Estimator](#)



[FAQs](#)



## Retirement Benefits



Social Security offers an online retirement application that you can complete in as little as 15 minutes. It's so easy. Better yet, you can apply from the comfort of your home or office at a time most convenient for you. There's no need to drive to a local Social Security office or wait for an appointment with a Social Security representative. [More...](#)

[Apply for Retirement Benefits](#)


[Return to a Saved Application](#)


[Check Application Status](#)

### If you already receive retirement benefits

[Online Services](#)

[What to do when someone dies](#) 

[What you need to report to us](#) 

[2013 schedule of payments](#) 

### Related Information

[Publications](#)

[Use our Retirement Planner](#)

[Estimate your Social Security retirement benefits](#)

[Estimate other potential benefits](#)

[Find your full retirement age](#)

[Benefits for your spouse](#)

[Benefits for you as a spouse](#)



[Need Information about The Defense of Marriage Act?](#)

*my* Social Security

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## Retirement Planner: Plan For Your Retirement

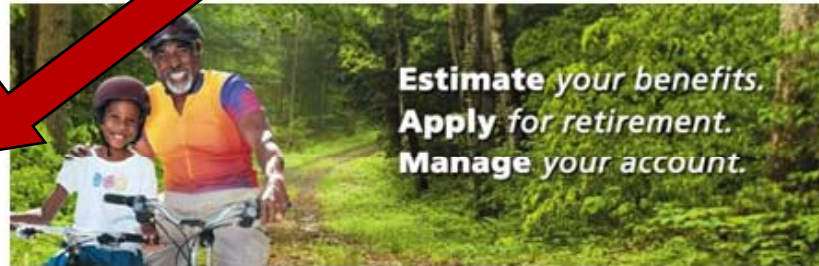
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A secure, comfortable retirement is every worker's dream. And now because we're living longer, healthier lives, we can expect to spend more time in retirement than our parents and grandparents did.

Achieving the dream of a secure, comfortable retirement is much easier when you plan your finances.

### How The Social Security Retirement Planner Can Help You Now

This planner provides detailed information about your Social Security retirement benefits **under current law**. It also points out things you may want to consider as you prepare for the future. If you are:

**my** Social Security

[Sign In](#)

[Create an Account](#)

**Note:** Depending on what you own and how much income you have, you may be eligible for [Supplemental Security Income \(SSI\)](#) when you are 65 or older.

You also may be eligible for SSI prior to age 65 if you are [disabled or blind](#).

## Retirement Planner: Plan For Your Retirement

Benefits Planner

Calculators

Retirement

Home

Factors That May Affect Your Benefits

When To Apply

How You Apply

Applying For Medicare Only

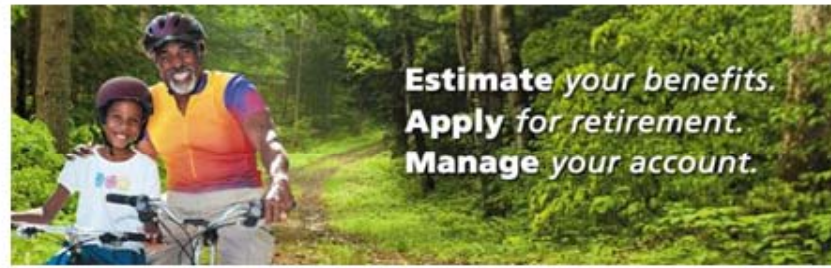
Benefits for Your Family

Other Things To Consider

Other Retirement Planning Websites

Disability

Survivors



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This planner provides detailed information about your Social Security retirement benefits **under current law**. It also points out things you may want to consider as you prepare for the future. If you are:

- **Looking for information**, you can:
  - Find your retirement age,
  - Estimate your life expectancy,
  - Estimate Your Retirement Benefits,



**Note:** Depending on what you own and how much income you have, you may be eligible for [Supplemental Security Income \(SSI\)](#) when you are 65 or older.

You also may be eligible for SSI prior to age 65 if you are [disabled or blind](#).



View a demo of our Online Retirement Benefit Application.



Social Security

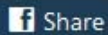
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## Retirement Estimator



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### How the Retirement Estimator Works

The Retirement Estimator gives estimates based on your actual Social Security earnings record. Please keep in mind that these are **just** estimates. We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates provided because:**

- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they will be adjusted for cost-of-living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change because, by 2033, the payroll taxes collected will be enough to pay only about 77 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or

### Related Information

[Estimate Your Life Expectancy](#)

[Other Benefit Calculators](#)

[What is the best age to start receiving retirement benefits?](#)

[Benefits For Your Spouse](#)

[Other Things To Consider](#)

### Online Applications

[Apply Online For Retirement Benefits](#)

[Apply Online For Spouse's Benefits](#)

**Note:**

If you need information about how

# *How Retirement Benefits Are Figured*

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*Step 1 - Adjust wages for changes in wage levels*

*Step 2 - Average over most of your working lifetime--(Your highest **35** years)*

*Step 3 - Convert total earnings to monthly figure by dividing by 420 (35x12)*

*Step 4 - Formula applied resulting in the **Full Retirement Age (FRA)** amount*

*Maximum taxable earnings in 2014 – **117,000**; covered earnings*

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# *When to start receiving retirement benefits*

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**Your age at the time you elect retirement benefits affects the amount**

- Wait until your **FRA (65-67)**, you get your full benefit**
  - Age **62** is the earliest you can file, you get a lower monthly payment; permanent reduction**
  - You get an even higher monthly payment if you apply *past* your full retirement age**
-



*Born*  
*1937*

*FRA*  
*65*

*Pct at 62*  
*80% FRA*

1938

65 & 2 months

79.2

1939

65 & 4 months

78.3

1940

65 & 6 months

77.5

1941

65 & 8 months

76.7

1942

65 & 10 months

75.8

*1943-1954*

*66 -100%*

*75% FRA*

1955

66 & 2 months

74.2

1956

66 & 4 months

73.3

1957

66 & 6 months

72.5

1958

66 & 8 months

71.7

1959

66 & 10 months

70.8

*1960 & later*

*67*

*70% FRA*

# *Delayed Retirement Credit (DRC)*

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*Beginning with the month of FRA and ending with the month before age **70***

- allows a credit for any month for which a worker was at least FRA, and
  - was insured for retirement benefits, and
  - did not receive retirement benefits
  - Born 1943 or later, *8% increase a year*
  - DRC increase not paid to spouse
  - DRC increase only paid to widow(er)
-

## *Filing between Age 62 and Age 66*

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**If you were born between 1943 and 1954 and your FRA is \$1,000**

<input type="checkbox"/> <b>Age 70</b>	<b>132% of benefit</b>	<b>\$1,320</b>
<input type="checkbox"/> <b>Age 66</b>	<b>100% of benefit</b>	<b>\$1,000</b>
<input type="checkbox"/> <b>Age 65</b>	<b>93<math>\frac{1}{3}</math> % of benefit</b>	<b>\$933</b>
<input type="checkbox"/> <b>Age 64</b>	<b>86 <math>\frac{2}{3}</math> % of benefit</b>	<b>\$866</b>
<input type="checkbox"/> <b>Age 63</b>	<b>80 % of benefit</b>	<b>\$800</b>
<input type="checkbox"/> <b>Age 62</b>	<b>75% of benefit</b>	<b>\$750</b>

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# *When to Apply*

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- 2-3 months before you want to receive payment**
- File online [www.socialsecurity.gov](http://www.socialsecurity.gov)**
- Set up telephone or in-office appointment**
- Call toll-free 1-800-772-1213**
- Available business days, 7:00 a.m. to 7:00 p.m.**



# ***Work Before Full Retirement Age***

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- ❑ Limits on how much you can earn and still receive all of your Social Security payments**
  - ❑ Work is wages from employment or earnings from self-employment (*SEI*)**
  - ❑ Does *NOT* include private pensions, 401Ks, investments, etc.**
-

## *The Month You Reach FRA...*

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there is *no limit* on your earnings.

- If* not already receiving benefits,
  - then* contact us at the beginning of the year you reach *FRA*
  - even if you are still working
  - you might be able to receive some or all of your benefits for months before you reach *FRA*.
-

# *Annual Earnings Test Limits*

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***2014***

**Under FRA**

**\$15,480**

**(\$1,290/mo.)**

***2014***

**Turning FRA during  
the year.**

**\$41,400**

**(\$3,450/mo.)**

---

## *Under FRA*

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**Rule 1 for**

**2**



**We hold back \$1 of  
benefits for every \$2  
over the earnings limit  
\$15,480**

---



# *In Year of FRA*

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**Rule 1 for 3**



**We hold back \$1 of  
benefits for every \$3  
over the earnings limit  
\$41,400**

---

## *Sample Computation*

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**\$25,480 earnings**

**\$15,480 limit**

***\$10,000 over limit /2 = \$5,000 benefits withheld***

**If retirement benefits are withheld *because* of your earnings...**

**benefits will be *increased* at your FRA to take into account those months in which benefits were withheld.**

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# *One-Time Earnings Rule - Non-Service Months*

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- Usually used first year of retirement
  - If not yet in full retirement year (*FRA*), whenever monthly earnings under \$1,290, benefits due regardless of yearly total
  - In full retirement year (*FRA*), whenever monthly earnings under \$3,450, benefits due regardless of yearly total
-

# *Spouses' Benefits - Currently Married*

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- 12 month marriage**
  - Age 62 (reduction)**
  - Worker entitled**
  - If under 62--disabled child or child  
under age 16 in care**
-

## *Spouses' Benefits - Currently Divorced*

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- 10 year marriage**
  - Age 62 (reduction)**
  - Worker age 62**
  - Worker can be married; the person filing for spouse's benefits *cannot* be married**
-

## *Spouses' Benefits - Currently Divorced (cont'd)*

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- If the ex-spouse has not applied for retirement benefits, but can qualify for them, you can receive benefits on his/her record if you have been divorced for at least two years.**
  
  - Does not reduce* payments made to the worker's current spouse**
-

## *Spouse's Benefit Amounts*

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- Calculated differently from retirement benefits
  - Spouse's benefit - Maximum of 50% of **worker's** full retirement age (*FRA*) if the **spouse** is at *FRA*
  - Does not* affect the worker's monthly benefit amount
-

# *Survivor Benefits*

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Earliest is age **60**, or age **50** if disabled

Any age if you have a child-in-care (under age 16) or disabled adult child of the worker

Deceased ex-spouse: *if* you were married at least 10 years and are *single*

Note: re-marriage after 60 doesn't affect widow(er) benefits

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# *How Much Does A Survivor Receive?*

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<b>Full Retirement Age</b>	<b>100% (FRA)</b>
<b>Age 60</b>	<b>71.5% (FRA)</b>
<b>Age 50 (Disabled)</b>	<b>71.5% (FRA)</b>
<b>Widow(er) at any age if caring for</b>	<b>75.0% (FRA)</b>
<b>Child of worker under 16</b>	
<b>or disabled Child</b>	<b>75.0% (FRA)</b>

*If you begin receiving Social Security benefits before reaching FRA, we cannot pay your surviving spouse a full benefit from your record.*

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[Your Medicare  
Costs](#)

[What Medicare  
Covers](#)

[Drug Coverage  
\(Part D\)](#)

[Supplements &  
Other Insurance](#)

[Claims &  
Appeals](#)

[Manage Your  
Health](#)

[Forms, Help, &  
Resources](#)

## Is my test, item, or service covered?



[Find health & drug plans](#)



[Apply for Medicare](#)



[MyMedicare.gov login](#)

Find out how much Medicare costs in 2014.

[Get costs](#)

### Address change/Medicare card issue?

### Information for my situation

### Find someone to talk to

[Find doctors,  
providers, hospitals,  
plans & suppliers](#)

[Blogs](#)

[News](#)

[Videos](#)

Give your heart some love this  
Valentine's Day



[Get help with costs](#)



[Explore Medicare health  
plans](#)

# *Parts A and B of Medicare*

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## Hospital (Part A)

- Paid for by 1.45% tax while working
- Pays 100% of covered inpatient costs
- Limitations, deductibles, exclusions
- Very limited nursing home coverage

## Doctors (Part B)

- Paid by premiums deducted from SS check
  - Covers 80% of doctor/outpatient bills.
  - May not need part B if still working.
-

# *Medicare coverage*

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## *PART A – Hospital Insurance*

- Paid for by taxes while still working**
  - Covers most inpatient hospital expenses**
  - 2014 deductible - \$1,216 hospital stay  
of 1-60 days**
  - Very limited nursing home coverage**
-

# *Medicare coverage*

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## ***PART B – Supplementary Medical Insurance***

**Covers 80% of doctor bills & other  
outpatient medical expenses after  
first *\$147.00* of approved charges**

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## ***PART B (Different premiums)***

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- Standard Medicare Part B monthly premium of \$104.90 in 2014**
  - Premiums rise if your yearly income is above \$85,000 (individual) or \$170,000 (couple); 5% of Medicare beneficiaries affected**
  - May not need part B if still working**
-

## *Part C - Medicare Advantage*

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- Includes HMOs, PPOs, special needs plans, private fee-for-service plans
  - With Medicare Parts A and B you can choose to receive all of your health care services through one of these provider organizations under Part C.
  - You pay Part B premium & plan premium; lower costs, more covered services
-

# *Part D-Medicare Prescription Drug Program*

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**Prescription Drug Program open to anyone on  
Medicare**

**Offered through private prescription drug plans  
(PDPs) *and* By Medicare Advantage plans**

**Premiums can rise if your yearly income is above  
\$85,000 (individual) or \$170,000 (couple)**

**Do not need to apply if you have creditable  
coverage from your employer**

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# *Enrolling in Medicare*

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**If already receiving Social Security, card sent three months prior to 65; if not, must file**

**Can file for “A” three months prior to 65**

**“B” has 7-month enrollment period**

**- 3 months before age 65 - 3 months after 65**

**If missed, enroll next Jan-Mar, then**

**“B” begins July, premium raised 10%**

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# *If Covered by an Employer Group Health Plan*

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**Part A - workers, spouses can still file timely**

**Part B - 8-month enrollment period  
begins *earliest* of:**

- month employment ends**
- month coverage ends**

*No penalty for delaying filing for Part B*

*Check with your employer or insurance carrier to be sure this is  
the right decision for you –example HSA, MSA*

***20** or more employees*

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