



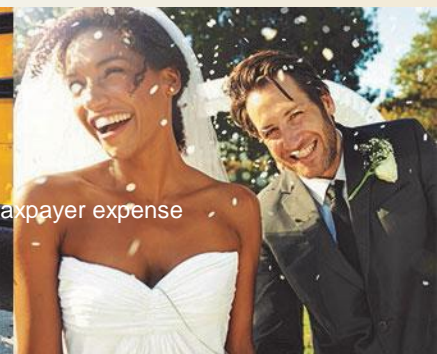
Social Security 101: Part 1, Retirement



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Disclaimer

- The information provided was accurate as of April 2024.
- Participation in this presentation does not constitute an endorsement by the Social Security Administration (SSA) or its employees of the organizations and information and products not provided by SSA.

Note: Please do not share any personal information, such as dates of birth or Social Security numbers, about yourself or others during the event



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AGENDA

Contacting Social Security and the *my*SocialSecurity account
Retirement Essentials

Windfall Elimination Provision (WEP) and Retirement
Benefits for Spouses and Survivors

Government Pension Offset (GPO) and Spouse/Survivor Benefits

Open Q/A



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Getting Help From Social Security

- Local offices are open M-F 9am-4pm. www.ssa.gov/locator
- The best way to get help from SSA is online at www.ssa.gov:
- If you are unable to use our website, call our national number @ 1-800-772-1213 M-F 8am -7pm to schedule a telephone interview with your local office.

Note: Customers who walk in without appointments to apply for benefits may experience long waits or be given an appointment for a future day.



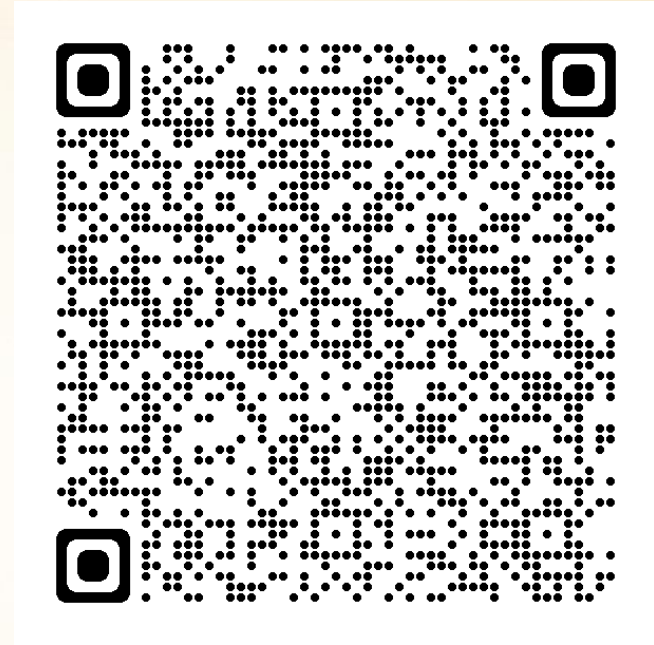
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Social Security Number and Card

Applying online is fast @ ssa.gov/number-card

- Request a copy of a lost, stolen, or damaged card.
- Update or correct your personal information (e.g., name, citizenship, sex identification, date of birth).
- Request a Social Security number for the first time.



Note: In some cases, you will begin the process online and finish it in a local Social Security office.



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SSA Wouldn't Miss Your Retirement Party!



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Qualifying for Social Security

- Most employers collect a federal payroll tax known as FICA- Federal Insurance Contributions Act.
- The total FICA tax is 15.3 percent of your gross wages- your employer and you each pay 7.65 percent.
 - 6.2% for Social Security (Retirement, Spouse, Survivor, Disability Insurance)
 - 1.45% for Medicare (Premium Free Part A)
- All employers collect the Medicare portion of the FICA tax, but not all employers collect the Social Security portion.



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mySocialSecurity: #1 Planning Tool



Social Security

Benefits ▾

Medicare ▾

Card & record ▾

Search SSA.gov



Español

Account

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](#)



www.ssa.gov/myaccount



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my Social Security: Verify Your Lifetime Earnings

\$0 earnings reflect no FICA earnings/possible WEP

Earnings Record

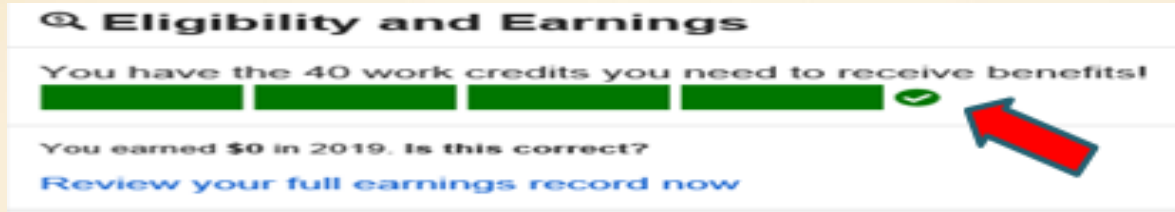
Review your earnings history below to ensure it is accurate because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings below, but you can view your complete earnings record online with [my Social Security](#). 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)
1981-1990	\$14,603	\$14,603
1991-2000	\$140,354	\$153,090
2001-2005	\$0	\$162,781
2006	\$0	\$43,068
2007	\$0	\$44,761
2008	\$0	\$46,685
2009	\$34,049	\$38,840
2010	\$55,693	\$55,693
2011	\$59,270	\$59,270
2012	\$62,448	\$62,448
2013	\$65,336	\$65,336
2014	\$67,487	\$67,487
2015	\$68,193	\$68,193
2016	\$67,227	\$67,227
2017	\$71,717	\$71,717
2018	\$77,215	\$77,215
2019	\$78,816	\$78,816
2020	\$83,137	\$83,137
2021	\$83,736	\$83,736
2022	\$90,821	\$90,821



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To qualify for a Social Security retirement benefit, you need to work in FICA covered employment paying Social Security taxes and be at least age 62:

- If you have 40 credits (10 years of work) you are guaranteed a retirement benefit.
- In 2024, you earn 1 credit when you make \$1730. You can earn a max. 4 credits/year = \$6920.
- Having 40 credits also qualifies you for premium free Medicare Part A.



How Social Security Calculates the Benefit

If you have 40 credits, Social Security will calculate your benefit on your lifetime of earnings:

Step 1 – We adjust or “index” your FICA wages to account for changes in wages over time

Step 2 – We find the monthly average of your 35 highest earnings years

Step 3 – Your benefit = a percentage of your “average indexed monthly earnings” (AIME)

See www.ssa.gov/planners/calculators for details



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Approximate Replacement Rates

- Because Social Security is a social insurance program, lower paid workers receive larger payments (a higher %) in relation to their lifetime earnings than higher paid workers.

% of earnings

55%

▪ Low Income Worker: \$24,252
avg. \$1,240/month benefit at FRA*

41%

▪ Middle Income Worker: \$53,892 avg.
\$2,046/month benefit at FRA*

27%

▪ High Income Worker: \$142,800 avg.
\$3,313/month benefit at FRA*



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Full Retirement Age (FRA)

Age to receive full Social Security benefits

<i>Year of birth</i>	<i>Full retirement age</i>
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

NOTE: People born on January 1 of any year, refer to the previous year.

Find your FRA in your personal **mySocialSecurity** account.
www.ssa.gov/prepare/plan-retirement

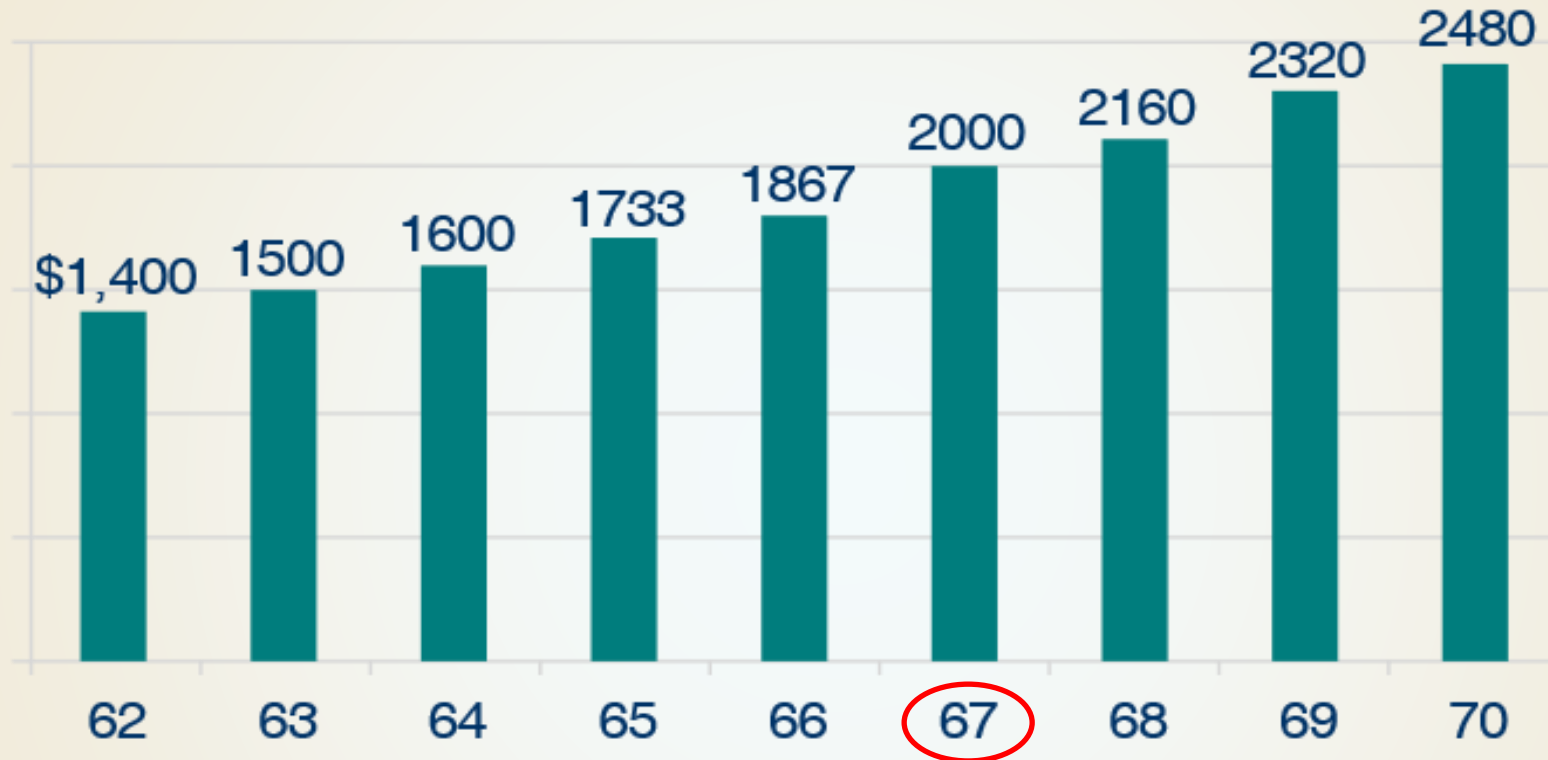


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Deciding When to Start Retirement Benefits

Assuming FRA = 67



Note: This example assumes a benefit of \$2,000 at a full retirement age of 67

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



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my Social Security: Retirement Calculator

Welcome, Georgettel

You last signed in on September 18, 2020 at 11:20 AM ET.

 [Print / Save a copy of your Social Security Statement \(PDF\)](#)

[Disclaimer](#) | [Download Statement Data as an XML file](#) | [How to use XML files](#)

 [Replace your Social Security Card](#)

 [Print/Save a letter proving you do not receive benefits \(PDF\)](#)

Eligibility and Earnings

You have the 40 work credits you need to receive benefits!



You earned \$0 in 2019. Is this correct?

[Review your full earnings record now](#)

[Learn more about eligibility and work credits](#)

Plan For Retirement

Your monthly benefit at Full Retirement Age (67) is **\$1,407**.

Use our estimator below to discover the best time for you to file for benefits.

Retirement Age
67 and 0 months

Average Future Annual Salary
\$43,066

Include a spouse?
No



Create retirement scenarios and view your own and spouse estimates based on different ages!



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Work and Retirement

- SSA has work limits (aka “Annual Earnings Limits”) until the month of your Full Retirement Age (FRA).
- Earnings limits go up in the Jan. of your FRA year.
- Work for Social Security = gross wages or net self employment.
- Most people working fulltime CANNOT receive Social Security until FRA – or reduced benefits in Jan. of their FRA year.
- Note: WEP/GPO rules normally start the month AFTER you retire.



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2024 Annual Earnings Limits

If you are	You can make up to	If you earn more, some benefits will be withheld
Under Full Retirement Age	\$22,320/year	\$1 for every \$2
The Year Full Retirement Age is Reached	\$59,520/year Jan - before month of full retirement age	\$1 for every \$3
Month of FRA and Beyond	No Limit	No Limit

www.ssa.gov/benefits/retirement/planner/whileworking.html and ssa.gov/OACT/COLA/RTeffect.html



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Work Examples

- I'm turning 62. I'm working fulltime and making 75K.
- I plan to work until I'm 70- I'm not retired, so no OPERS yet. My FRA is age 67.
- Can I get Social Security when I'm 62? **No** – Social Security earnings limits are in place until FRA.
- If I keep working, can I apply for Social Security in the year I turn FRA or in my month of FRA? **Yes** - work limits go up in Jan. of your FRA year and stop at FRA.

Note: WEP and GPO rules start the month **AFTER** you retire.



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Retirement and Windfall Elimination Provision (WEP)



Public Pensions and Social Security

- Windfall Elimination Provision (*aka WEP or Windfall*) applies if you have 40 Social Security credits **and** a pension from a non-FICA system.
- Pension = defined benefits (traditional annuity/monthly payment) or defined contribution plan. ARP is an alternate PENSION plan.
- Again, WEP applies when FICA taxes were not withheld for this employment.
- **Having 40 credits guarantees you a benefit, but Windfall will lead to a reduction in Social Security for most public pension recipients.**



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WEP Background

- A person with many years of earnings not taxed by FICA resembles a lower wage earner when SSA's normal computation is applied.
- Before WEP – Social Security benefits did not adjust the percentage replacement formula of career average earnings paid to Non-FICA system earners who appeared as lower paid workers.
- To eliminate this “windfall”, Congress passed the Windfall Elimination Provision in the 1980's.

www.ssa.gov/gpo-wep

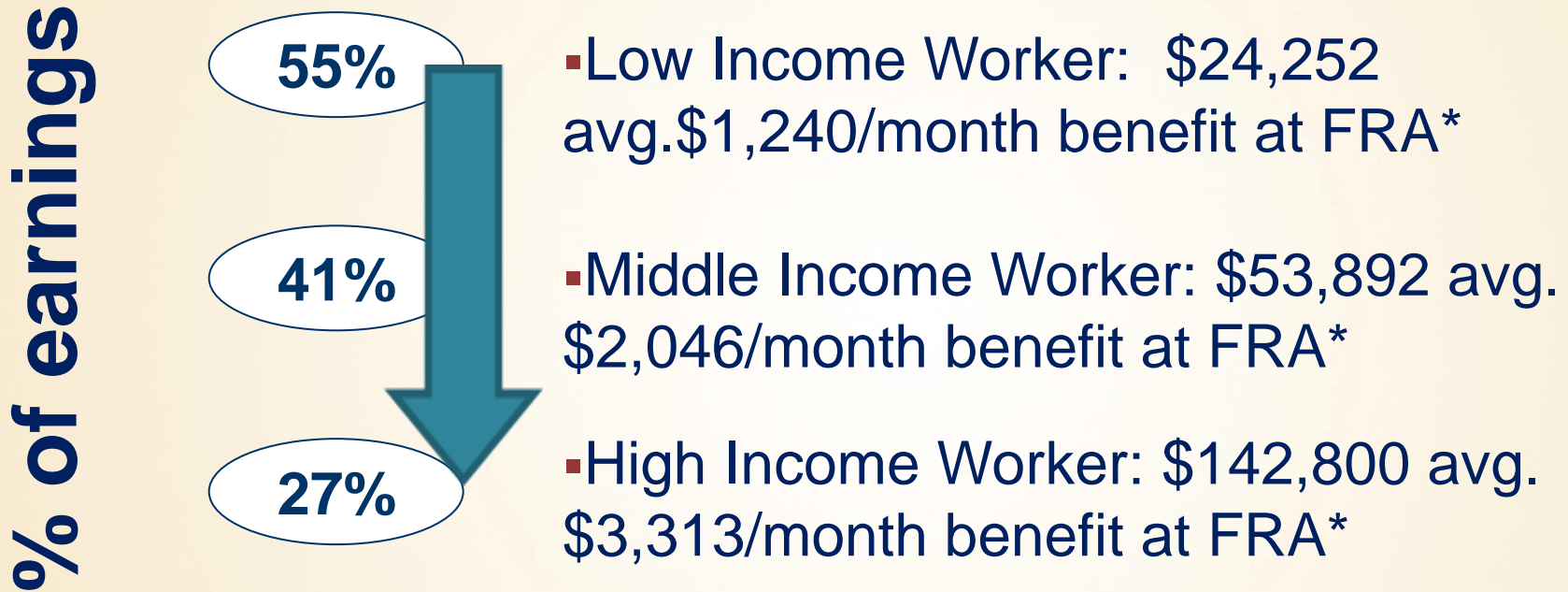


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WEP Adjusts the Replacement Percentage

- WEP adjusts the replacement percentage, considering the earnings the worker has under a non-FICA system to pay a replacement percentage based on true lifetime of earnings.



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Exception to WEP: Substantial FICA Earnings

Year	Substantial earnings
1937–1954	\$900
1955–1958	\$1,050
1959–1965	\$1,200
1966–1967	\$1,650
1968–1971	\$1,950
1972	\$2,250
1973	\$2,700
1974	\$3,300
1975	\$3,525
1976	\$3,825
1977	\$4,125
1978	\$4,425
1979	\$4,725
1980	\$5,100
1981	\$5,550
1982	\$6,075
1983	\$6,675
1984	\$7,050
1985	\$7,425
1986	\$7,875
1987	\$8,175
1988	\$8,400
1989	\$8,925

Year	Substantial earnings
1990	\$9,525
1991	\$9,900
1992	\$10,350
1993	\$10,725
1994	\$11,250
1995	\$11,325
1996	\$11,625
1997	\$12,150
1998	\$12,675
1999	\$13,425
2000	\$14,175
2001	\$14,925
2002	\$15,750
2003	\$16,125
2004	\$16,275
2005	\$16,725
2006	\$17,475
2007	\$18,150
2008	\$18,975
2009–2011	\$19,800
2012	\$20,475
2013	\$21,075
2014	\$21,750

Year	Substantial earnings
2015–2016	\$22,050
2017	\$23,625
2018	\$23,850
2019	\$24,675
2020	\$25,575
2021	\$26,550
2022	\$27,300
2023	\$29,700
2024	\$31,275

- **30 or more years of substantial years under FICA = no WEP.**
- In 2024, max. reduction due to WEP is \$587/mo.
- www.ssa.gov/gpo-wep



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Calculating WEP

- **IF WEP APPLIES TO YOU-** Your **mySocialSecurity** account does NOT accurately figure the Windfall when estimating your benefit amount.
 - You will need to use the online WEP calculator to get a correct estimate. www.ssa.gov/planners/calculators

For a quick estimate:

If your FRA benefit amount on your **mySocialSecurity** Account =

–\$1,175 or more, subtract \$587.

–\$1,174 or less, subtract 50%.



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Applying for Retirement



File online for Retirement, Spouse, Disability, or Medicare @ www.ssa.gov

- *You can apply up to 4 months before you want your benefit to begin so don't delay!*



Schedule a phone appointment at 1-800-772-1213, 8 a.m. – 7 p.m. Monday through Friday.

Please Note: Child and survivor claims can only be done by phone or in office so please call for an appointment.



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When Do Benefits Start?

- Normally, applications are processed within 4-6 weeks. It can take longer if additional evidence is requested.
- Benefits are paid in the following month – so if I elect October 2024 as my month to start retirement, the deposit will come in November 2024.
- Payment is made the 2nd, 3rd or 4th Wed. of the Month, depending on your date of birth.
<https://www.ssa.gov/pubs/EN-05-10031-2020.pdf>.
- You will receive a 1099 annually for your Social Security benefits. Will you pay tax? That is an IRS issue, please see www.irs.gov publication 915.



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Dependent Benefits



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Applications Ask About Dependents

Children	May receive benefits if unmarried and younger than age 18 (or younger than 19 if still in high school)
Disabled Adult Child	May receive benefits after age 18 if unmarried (unless married to another beneficiary) and disabled before age 22
Spouse and/or Ex-Spouse	<ul style="list-style-type: none">• Age 62 for living spouse benefits.• Age 60 for widow/er (as early as 50, if disabled). <p>Note: spouse could be any age if caring for your child younger than 16 or disabled.</p>

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



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Living Spouse vs. Surviving Spouse Benefits

Spouse (living)	Surviving Spouse (deceased)
May start as early as <u>age 62</u>	May start as early as <u>age 60</u> or as early as 50 if disabled
50% if you wait until FRA or later – reduced if taken early <i>*Earnings Limits Apply Until Full Retirement Age</i>	100% if you start at FRA or later – reduced if taken early
Ex-spouse benefit is possible if marriage lasted 10 years before the divorce*. <i>*Certain conditions must be met.</i>	Ex-spouse benefit is possible if marriage lasted 10 years before the divorce*.

ssa.gov/benefits/planners/retire/yourspouse.html



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Key Facts: Applying On A Living Spouse's Record

- Spouse benefits are a form of retirement – you apply for both your own benefit and a spouse benefit (aka “Deemed Filing”).
- You receive the **higher** benefit amount: your FRA amount vs 50% of your living spouse’s FRA amount.
- Reduced if taken early, see www.ssa.gov/benefits/retirement/planner/agereduction.html.
- If you apply before your current spouse, we look for any additional spouse benefit when your spouse retires. **Note:** you can apply before your ex-spouse does.
- Spouse benefits do not reduce the worker’s benefit.
- Apply online at www.ssa.gov/retireonline or by phone up to 4 months ahead.





No Spouse Benefit Entitlement

Pat and Terry both paid FICA

Pat's Social Security benefit at Full Retirement Age (FRA) = \$2,300/month

Terry's retirement benefit on her own work record at FRA = \$1,400

Terry's spouse benefit (50% of Pat) = \$1,150

Terry's Social Security benefit = \$1,400

Terry cannot get a spouse benefit because her own Social Security benefit is higher (more than ½ of Pat's FRA)



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Key Facts: Surviving Spouse Benefits

If you are the surviving spouse, you could receive:

- 100% of the deceased's benefit if you are at YOUR full retirement age or older;
- 71.5% of the deceased's benefit at age 60 – this amount increases each month that you wait until full retirement age, www.ssa.gov/benefits/survivors/survivorchartred.html.
- Note : remarriage after age 60 doesn't stop survivor benefit eligibility.
- Unlike living spouse benefits, you could as a widow and then switch to your own, or vice versa. See more at www.ssa.gov/survivors .



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Survivor Example – No OPERS STRS etc.

Pat dies = \$2,300

Terry's own benefit (*already receiving*) = \$1,400

Terry's New Social Security benefit = \$2,300

FYI – in our Social Security records, Terry's benefit shows as \$1400 on her own work history record, plus \$900 from Pat = \$2300 Terry sees in the bank each month.



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Filing for Survivor Benefits

- Death information is received electronically from vital statistics so you don't have to report a death to Social Security if there are no potential survivors who could receive benefits.
- If there is a surviving spouse and/or children, **please call us asap** to set up a benefit appointment to look at any potential eligibility, including \$255 lump sum payment for any age surviving spouse.
- You cannot file a survivor or child benefit application online, call the 800# or local office for an appointment.



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Spouse/Survivor Benefits and Government Pension Offset (GPO)





Government Pension Offset (GPO)

- Only affects Social Security spouse/widow(er) benefits.
- Reduces Social Security spouse/widower(er) benefit by 2/3 of the monthly, non-covered government pension.
- SSA must know the gross monthly non FICA pension amount to correctly figure GPO.

www.ssa.gov/gpo-wep



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GPO Computation for Non-Traditional Pension

- A non-FICA alternate pension (ie-investment account) will still cause GPO.
- SSA will ask the retirement system to verify what the individual's monthly pension amount would have been if s/he had elected a traditional monthly pension annuity.
- If SSA cannot get that information from the system, then SSA will figure a monthly prorated pension amount using an amortization chart found online at <https://secure.ssa.gov/apps10/poms.nsf/lnx/0300605364>.



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GPO Example: Spouse (Living)

- Tom receives \$1600 Social Security benefit at his Full Retirement Age
- Ann's potential spouse benefit from Tom at her Full Retirement Age = \$ 800 (*50% of his \$1600*)
- 2/3 of Ann's \$1500 Non-FICA pension = \$1000
- Ann's Social Security spouse benefit = \$ 0



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GPO Example: Survivor

- Tom passes away, his wife Ann is under OPERS.
- Ann's potential widow benefit = \$1600 (100% of Tom)
- 2/3 of Ann's \$1500 Non-FICA pension = \$1000
- Ann's Social Security widow benefit = \$ 600



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GPO: Another Survivor Example

My spouse Fred dies, his Social Security benefit was \$1800.

- My potential widow benefit = \$1800 (100% of Fred)
- 2/3 of my \$3000/mo. non-FICA government pension = \$2000
- My Social Security widow benefit = \$ 0



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WEP vs GPO

WEP

Applies when you have 40 credits plus a non-covered pension and you're filing for **retirement or disability benefits**

Would never reduce a benefit to zero

Computation figured at retirement, beneficiary doesn't have to report monthly pension changes..

GPO

Applies when you are receiving a non-covered pension and filing for **spouses, widows or widowers benefits**

Could reduce to zero

Determined by monthly pension amount, so any COLA increases to a defined monthly pension amount must be reported to Social Security.



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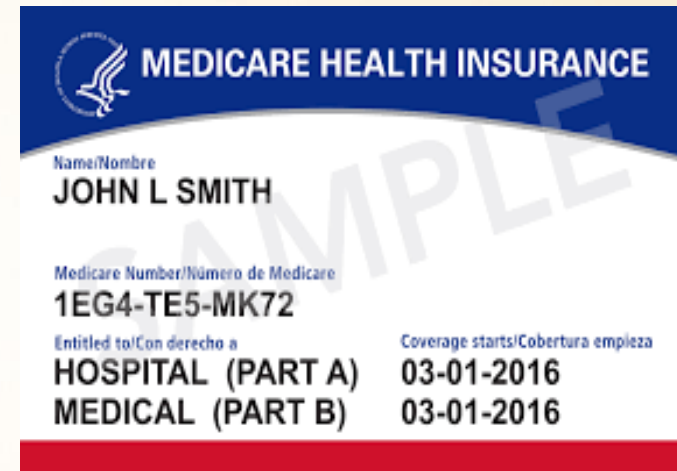
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Join us again for Part 2

Medicare A/B Enrollment

- Who is eligible?
- What does Part A and Part B Cover?
- Enrollment Periods
- IRMAA (higher Part B/D Premiums)
- Extra Help for Paying for Prescriptions and more!




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Questions?

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A photograph of a young man and woman embracing on a dirt path in a field of tall grass. The sun is low in the sky, creating a warm, golden glow. The woman is holding a bouquet of flowers. The man has his arm around her shoulder.

This event is public. Please do not share any personal information, such as dates of birth or Social Security numbers, about yourself or others during the event



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