



Social Security: With You Through Life's Journey



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Presentation Overview

- Program Introduction
- Retirement Benefits
- Windfall Elimination Provision
- Disability Benefits
- Spouse & Survivor Benefits
- Government Pension Offset
- Medicare Coverage
- Q & A



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[SocialSecurity.gov](https://www.SocialSecurity.gov)

my Social Security



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Create your personal *my* Social Security account today

With your free, personal *my* Social Security account, you can receive personalized estimates of future benefits based on your real earnings, see your latest *Statement*, and review your earnings history. It even makes it easy to request a replacement Social Security Card or check the status of an application, all from the comfort of your home or office!

[CREATE AN ACCOUNT →](#)

[SIGN IN →](#)

[FINISH SETTING UP YOUR ACCOUNT →](#)



Why create a free account?

socialsecurity.gov/myaccount



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my Social Security Services

- Review your Social Security *Statement* annually
- In some states, request a replacement Social Security (SSN) card
- Check the status o your application or appeal
- Get a benefit verification letter for proof of income
- Change your address, phone #, or direct deposit info
- Get a replacement SSA-1099 for taxes
- Get a replacement Medicare Card



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Over 63 Million Receiving Benefits (Over \$940 Billion Per Year)



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We Wouldn't Miss Your Retirement Party



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How Do You Qualify?

- By earning “credits” when you work and pay Social Security taxes
- You need 40 credits (10 years of work) and you must be 62 or older
- Each **\$1,410** in earnings gives you one credit
- You can earn a maximum of 4 credits per year

*Note: To earn 4 credits in 2020, you must earn at least **\$5,640.00**.*



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How Social Security Determines Your Benefit

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”

Consult your *my* Social Security account or the online Estimator



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| Year of Birth | Full Retirement Age (FRA) |
|---------------|---------------------------|
| 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 + | 67 |

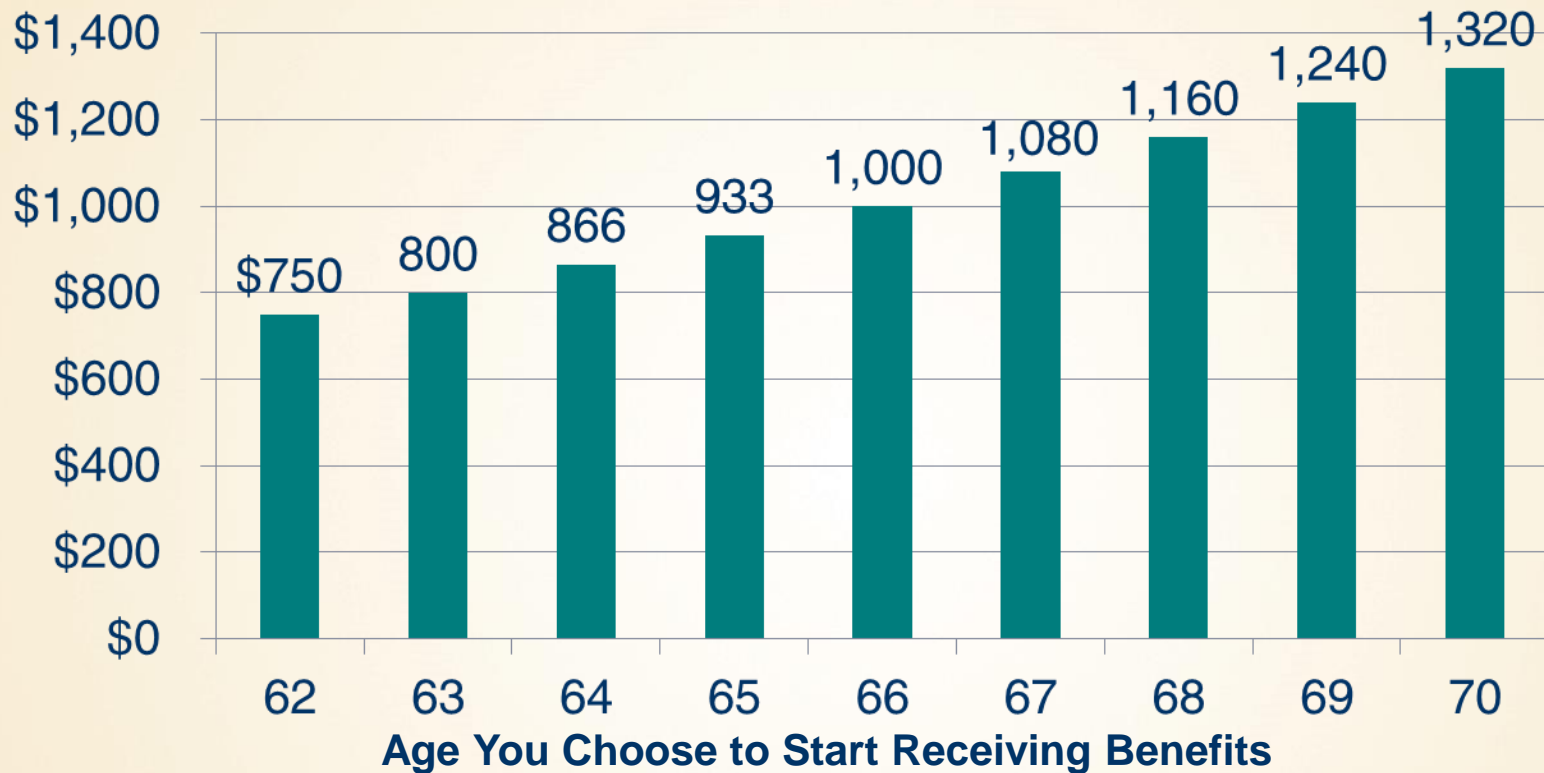


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What Is the Best Age to Retire?

Monthly Benefit Amounts Differ Based on the Age You Decide to Start Receiving Benefits



Note: This example assumes a benefit of \$1,000 at a full retirement age of 66



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Windfall Elimination Provision (WEP)

If any part of a **pension** based on your **own** work is **not covered** by Social Security, you may be affected by WEP.

Why WEP?

- Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low wage workers.
- They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security.
- Congress passed the Windfall Elimination Provision in 1983 to eliminate that advantage.



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2020 Retirement Benefit Formula

If your lifetime average monthly earnings = **\$5,900**

Then your monthly benefit = **\$2,425**



90% of first \$960 in earnings.....\$960 = \$ 864



32% of earnings (\$5,785 - \$960).....\$4,825 = \$1,544



15% of earnings over \$5,785..... \$115 = \$ 17

\$ 5,900 \$2,425

**Payments rounded to whole dollar amounts*



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2020 WEP Benefit Formula



40%

~~90%~~ of first \$960 in earnings.....\$960 = ~~\$864~~ \$384



32% of earnings (\$5,785 - \$960)..... \$4,825 = \$1,544



15% of earnings over \$5,785..... \$115 = \$17

\$5,900 ~~\$2,425~~

Max **WEP** reduction in 2020 is **\$480/month**,
but not more than **1/2 of pension amount**

\$1,945



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Exception to WEP

| Years of Substantial Earnings | % of First Factor in Benefit Formula |
|-------------------------------|--------------------------------------|
| 30 or more | 90 |
| 29 | 85 |
| 28 | 80 |
| 27 | 75 |
| 26 | 70 |
| 25 | 65 |
| 24 | 60 |
| 23 | 55 |
| 22 | 50 |
| 21 | 45 |
| 20 or fewer | 40 |



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WEP Substantial Earnings

| Year | Substantial Earnings Amount |
|-----------|-----------------------------|
| 2009-2011 | \$19,800 |
| 2012 | \$20,475 |
| 2013 | \$21,075 |
| 2014 | \$21,750 |
| 2015-2016 | \$22,050 |
| 2017 | \$23,625 |
| 2018 | \$23,850 |
| 2019 | \$24,675 |
| 2020 | \$25,575 |

Use online calculator to calculate your benefit

[www.ssa.gov/
planners/benefit
calculators.html](http://www.ssa.gov/planners/benefit-calculators.html)



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Working While Receiving Benefits

| If you are | You can make up to | If you earn more, some benefits will be withheld |
|---|---|--|
| Under Full Retirement Age | \$18,240/yr. | \$1 for every \$2 |
| The Year Full Retirement Age is Reached | \$48,600/yr. before month of full retirement age | \$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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We're There If The Unexpected Happens



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Disability Definition

- Must have a physical or mental impairment (or combination of conditions)
- **Inability to perform substantial work activity (SGA, 2020): Disability (\$1,260/month) Blind (\$2,110/month)**
- Disability must be expected to last **12 consecutive months or result in death**
- We consider age, education and past work activity



Social Security Disability Insurance (SSDI)

Recent Work Requirement

- Must have **earned 20 credits** (equivalent to 5 years of work) **over the last 10 years before becoming disabled**
- For workers under age 31, less work is required
- **Unlike retirement benefits, you could lose your eligibility for disability coverage if you stop paying into the program**



We'll Be Here For Your Family



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Social Security Spouse's Benefits

- Born **after** 1/1/1954? Must apply for your **own** benefit first
- Earliest Age: 62 (reduced payment)
- **Spouse** payment rate: **up to 50%** of worker's full benefit amount (does not reduce payments to worker)
- **Divorced Spouse:** 10-year marriage and single (former spouse not required to apply for own benefit, at least 62)
- Calculation: If own **full** benefit is less than 50% of the worker's **full** benefit, then benefits are combined



Spouse Benefit Computation

Kelly's own Full Retirement Age (FRA) benefit = **\$800**

Kelly's spouse/Ex-spouse FRA amount = **\$2,000**

\$1,000 Kelly's max spouse benefit (**50%** of **\$2,000**)

- **\$800** Kelly's own FRA benefit

\$200 Kelly's **spousal** payment

Kelly's spousal benefit (**\$200**) is added to Kelly's own FRA benefit (**\$800**) for a **total benefit** of **\$1,000**



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Survivor Benefits

- Full survivor benefit at Full Retirement Age – (payments reduced if deceased worker received early retirement); or
- At age 60, receive 71.5% of deceased's Full Retirement Age benefit; waiting increases payment amount; or
- **If disabled**, receive as early as age 50; or
- Caring for minor child of the deceased who is under age 16
- **Surviving Divorced Spouse:** 10-year marriage required
- Must be unmarried unless remarriage after age 60 (50 if disabled)



Survivors Benefit Tips

- If Worker is deceased before surviving spouse reaches retirement age, spouse can draw reduced survivors benefits and then switch to own retirement later
- Earnings limits apply to both survivors and spouses benefits



Benefits for Children

| | |
|----------------|--|
| Child | Can receive benefit if not married and is under age 18 (or under age 19 if still in high school) |
| Disabled Child | Can receive benefits beyond age 18 if not married and was disabled before age 22 |



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Government Pension Offset (GPO)

- A type of benefit reduction that may affect some **spouses and survivors**.
- If you receive a government **pension** based on work **not covered** by Social Security, **your Social Security spouse's or survivor's benefits may be reduced**.

socialsecurity.gov/gpo



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Government Pension Offset (GPO)

2/3 of amount of **non-covered pension** will be used to reduce the **Social Security spouse's/survivor's** benefits

Non-Covered Pension = \$1200 2/3 of \$1200 = \$800

Spouse/Survivor
Benefit Not Payable

$$\begin{aligned} &\bullet \$750 \\ &\bullet \underline{- 800} \quad = \quad \$0 \end{aligned}$$

Spouse/Survivor
Benefit Payable

$$\begin{aligned} &\bullet \$1,000 \\ &\bullet \underline{- 800} \quad = \quad \$200 \end{aligned}$$



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Why Government Pension Offset (GPO)?

- Spouse & survivor benefits are “dependent” benefits designed to compensate spouses who stayed home to raise a family.
- The law requires spouse & surviving spouse benefits to be reduced by the dollar amount of their own SSA retirement benefit.
- If the government work had been subject to Social Security taxes, we would reduce the spouse & survivor benefits for any Social Security benefit they were receiving.
- Before GPO, we paid full spouse & survivor benefit plus they received a full government pension. GPO ensures we treat non-covered workers the same as workers who pay the Social Security tax.



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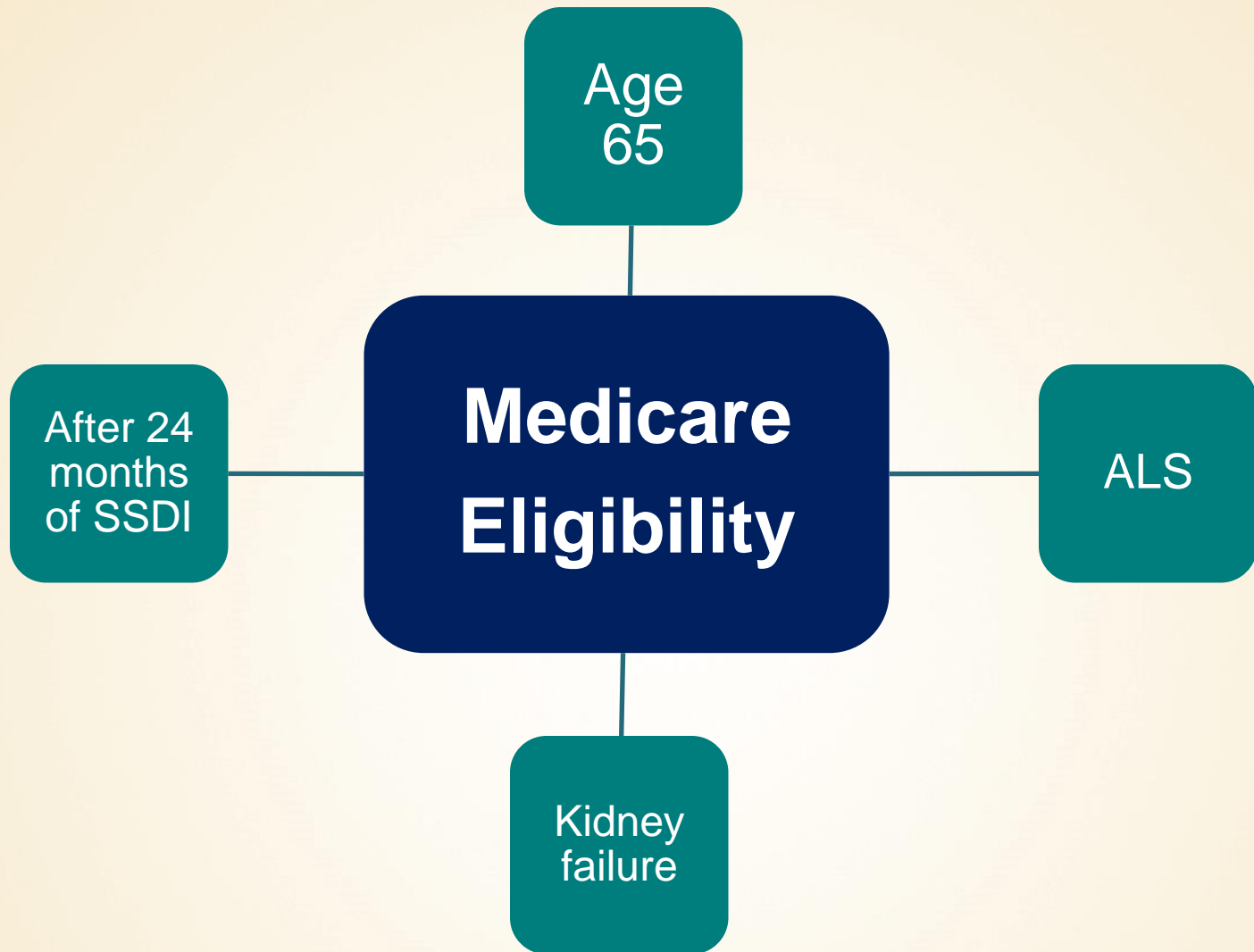
WEP/GPO Summary Chart

| WEP | GPO |
|---|--|
| Applies when you have 40 credits plus a non-covered pension and you're filing for retirement or disability benefits | Applies when you are receiving a non-covered pension and filing for spouse's or widow(er)'s benefits |
| Never reduces a benefit to zero | Could reduce to zero |
| Change in computation | Offset |
| Affects NH benefits and all beneficiaries on their own claim | Affects benefits on spouse and survivor claims |



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Initial Enrollment Period

Begins 3 months before your 65th birthday and ends 3 months after that birthday

Medicare Enrollment

General Enrollment Period

January 1 – March 31

Special Enrollment Period

If 65 or older and covered under a group health plan based on your – or your spouse's – current work.



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Medicare Coverages

Part A – Hospital Insurance

- Covers most inpatient hospital expenses
- 2020 Deductible \$1,408

Part B – Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses after first \$198 in approved charges
- 2020 standard monthly premium \$144.60
Some current beneficiaries may pay less

Part D- Medicare Prescription Drug Plan

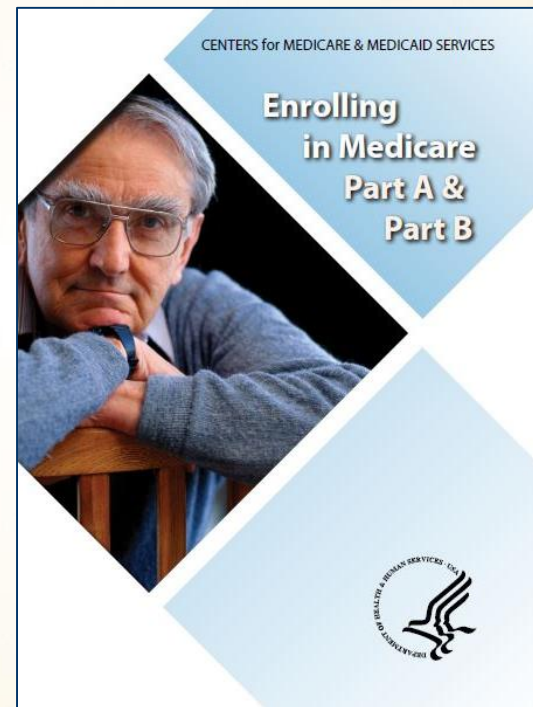
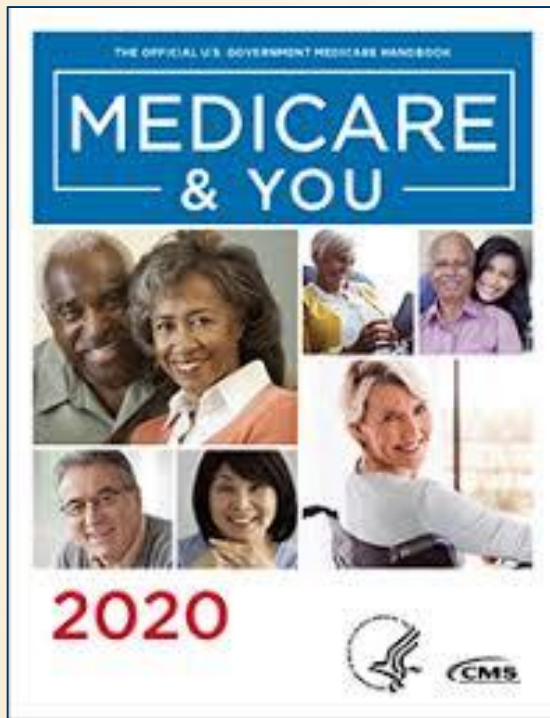
- Covers major portion of prescription drug costs
- Annual Enrollment Period: October 15 – December 7
- Extra Help Program – Helps pay drug costs for those with low income/resources. Visit website for details.



Medicare Resources

1-800-MEDICARE

www.medicare.gov



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Applying for Benefits

3 options available:



Online at **SocialSecurity.gov**



By phone 1-800-772-1213



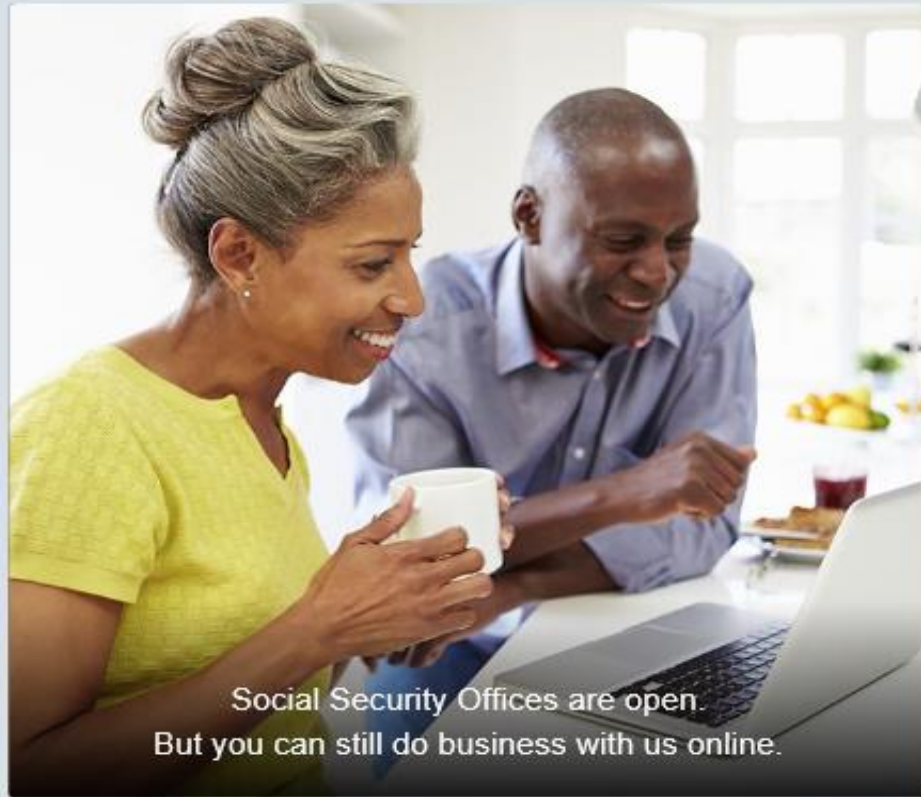
At our office (call for appointment)

You choose the most convenient option for you.



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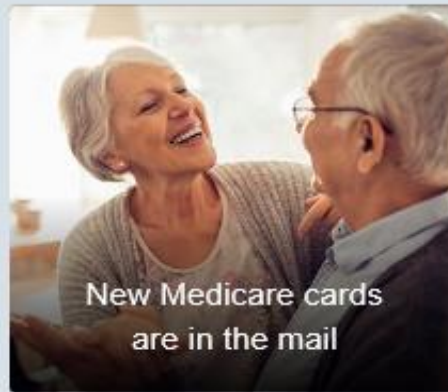
Social Security Offices are open. But you can still do business with us online.



Retirement



Disability



New Medicare cards are in the mail



Change of Address



my Social Security

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



Social Security Number

Your Social Security number remains your first and continuous link with Social Security.



Retirement Estimator

Calculate your benefits based on your actual Social Security earnings record.



FAQs

Get answers to frequently asked questions about Social Security.



Report scams/fraud:

oig.ssa.gov

Need Help?

IdentityTheft.gov

Protecting what's important to you...



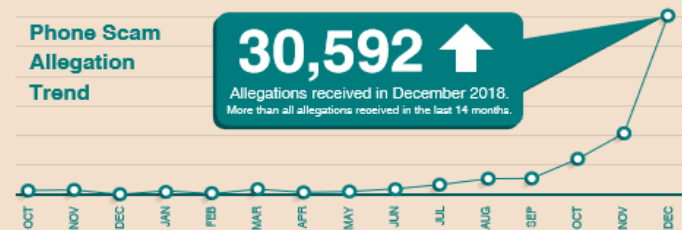
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Social Security is committed to protecting your personal information and your benefits. Impersonation phone scams are increasing. Don't be fooled. Follow these tips to protect yourself.

Phone Scam Allegation Trend

30,592 ↑

Allegations received in December 2018. More than all allegations received in the last 14 months.



What to look out for

- An automated call saying your Social Security number has been "suspended for suspicion of illegal activity" and asking you to contact them to resolve the issue.
- Callers using threatening language, such as arrest or other legal action.
- Calls "spoofing" Social Security's phone number.
- Any call asking you to provide credit card information or to add money to gift cards.

Be Alert

- We may call in some situations, if you have ongoing business with us.
- Social Security will **never**:
 - Threaten you for information.
 - Promise a benefit increase in exchange for personal information.



Be Active

- If you receive a questionable call from someone claiming to be us, just hang up.
- Report suspicious calls or emails online at oig.ssa.gov/report or by calling 1-800-268-0271.
- Learn more to protect yourself at identitytheft.gov/ssa



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