

# SOCIAL SECURITY

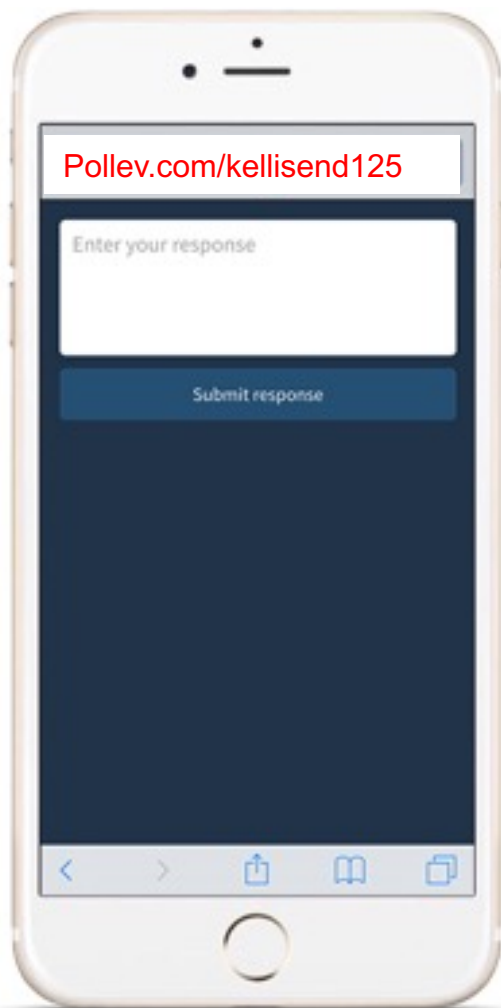




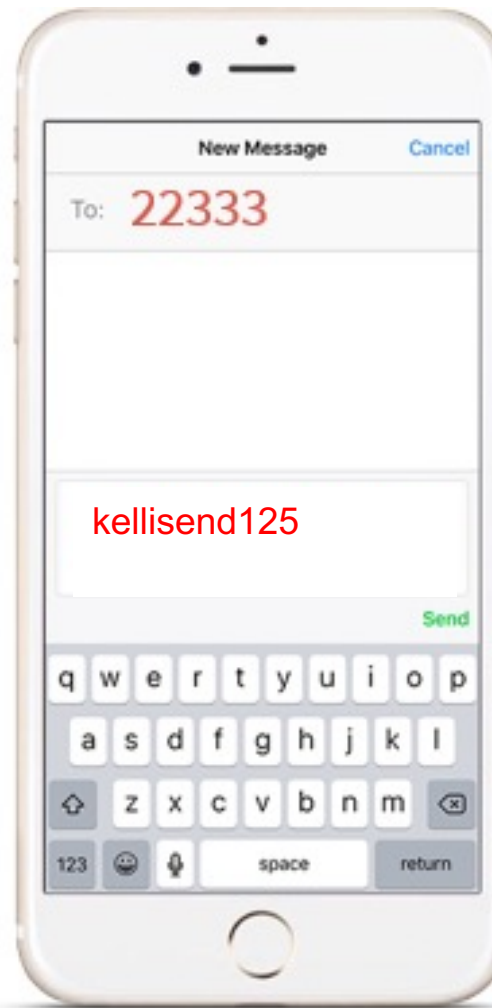
# moneyadvice@work

- 🌿 Francis Investment Counsel: independent investment consultant to retirement plans
- 🌿 Financial Wellness Provider: ERISA Fiduciary Education and Advice Services
- 🌿 Difference Maker: No Sales, No Hidden Fees (really!)

# Let's Hear From You!

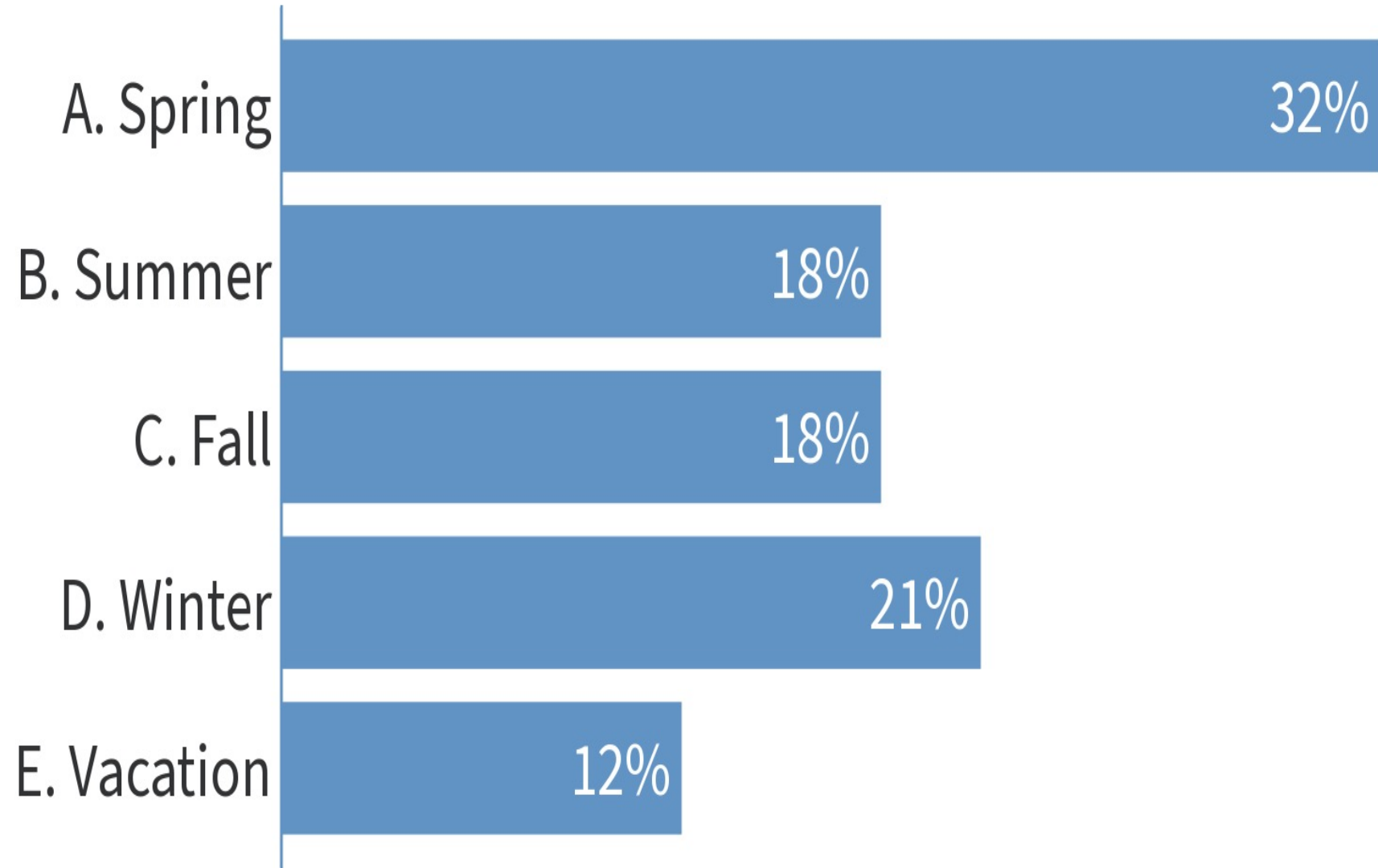


**Web voting**



**Text voting**

# What is your favorite season?



# What we will cover today

- ✓ Social Security: The Basics
- ✓ Strategies to Maximize Benefits



When poll is active, respond at [pollev.com/kellisend125](https://pollev.com/kellisend125)

Text **KELLISEND125** to **22333** once to join

# In what year is the Social Security Trust Fund expected to run out of money?

A 2025

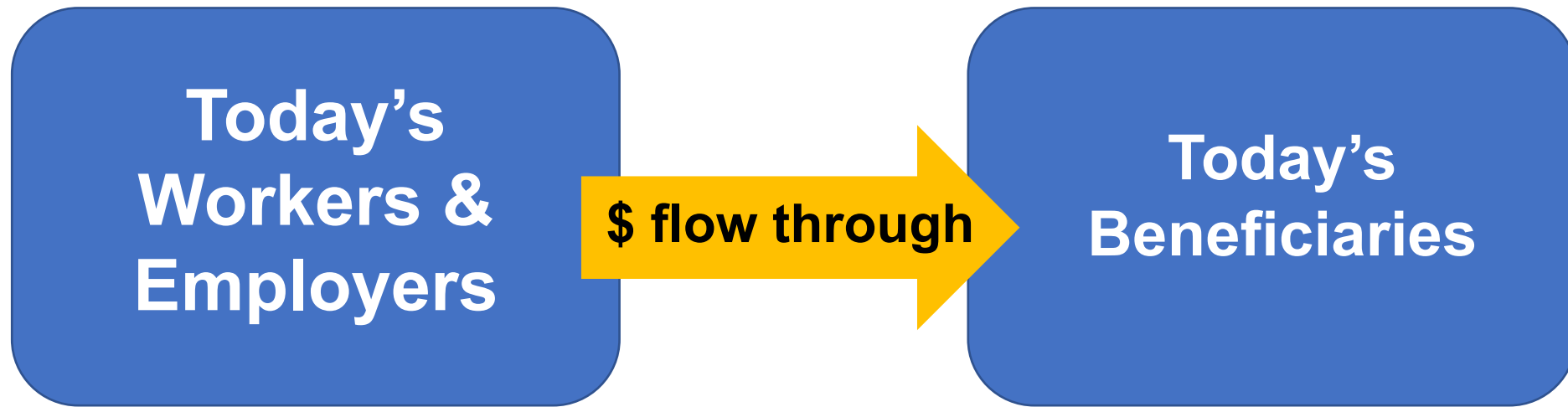
B 2032

C 2037

D 2043

None of the above

# Will Social Security Be There for Me?



Lots of ideas  
of ways to “fix”  
Social Security





# Social Security Basics

- Who is eligible?
- When are you eligible?
- What benefits can you expect?
- How do you apply?



🌐 When poll is active, respond at **pollev.com/kellisend125**

📱 Text **KELLISEND125** to **22333** once to join

# How many credits do you need to be eligible for Social Security?

A 40

B 10

C 30

D 5

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📱 Text **KELLISEND125** to **22333** once to join

## Your benefits are based on how many years of income?

A Top 35 years of income

B Top 5 years of income

C All years of income

D Top 10 years of income

# Who is Eligible?

- Earn social security “credits”, earning a maximum of four credits per year
- Fully insured and eligible after 40 credits (10 years)
- Benefit based on top 35 years of income (may include \$0, if no work history)

The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed.

Source: [Update 2021 \(ssa.gov\)](https://ssa.gov)



# When are You Eligible?

***age***  
**62**

Early retirement – Benefits may start, but checks will be reduced for life. Benefits withheld if you keep working and exceed income limits.





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## At what age is your Full Retirement Age?

A 62

B 65

C 67

D 70

Depends on birth year

# When are You Eligible?

***age***  
**65-67**

Full Retirement Age -  
depends on your  
birth year – earnings  
limits disappear



# Full Retirement Age

Full eligibility for Social Security has gradually increased from age 65 to age 67.  
Find your birth year below to determine when you are fully eligible for Social Security.

Birth Year	Full Retirement Age
1937 or earlier	Age 65
1938	Age 65 and 2 months
1939	Age 65 and 4 months
1940	Age 65 and 6 months
1941	Age 65 and 8 months
1942	Age 65 and 10 months
1943-1954	Age 66
1955	Age 66 and 2 months
1956	Age 66 and 4 months
1957	Age 66 and 6 months
1958	Age 66 and 8 months
1959	Age 66 and 10 months
1960 and later	Age 67

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Source: [www.ssa.gov/pubs/EN-05-10035.pdf](http://www.ssa.gov/pubs/EN-05-10035.pdf)



# When are You Eligible?

***age***  
***70***

Increased benefits  
if you wait beyond  
FRA end.



Monthly benefits  
increase by  
**8%**  
annually  
if you delay  
collecting





# Let's Meet Thomas Kim

Full Ret Age = 66

Monthly benefit at 62 = \$645

Monthly benefit at 66 = \$900

Monthly benefit at 70 = \$1,224

The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Source: [www.ssa.gov/pubs/EN-05-10035.pdf](http://www.ssa.gov/pubs/EN-05-10035.pdf)



# Who is Eligible?

- You qualify for your own benefit OR  $\frac{1}{2}$  of spouse's – whichever is higher



# Let's Meet Tom's Spouse Sheila

Full Ret Age = 66

Monthly benefit at 62 = \$1,576

Monthly benefit at 66 = \$2,200

Monthly benefit at 70 = \$2,993



The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Source: [www.ssa.gov/pubs/EN-05-10035.pdf](http://www.ssa.gov/pubs/EN-05-10035.pdf)



# Meet the Kims

Monthly benefit if  
they each claim on  
their own record:

Tom:	\$900
Sheila:	\$2,200
<b>TOTAL:</b>	<b>\$3,100</b>

Monthly benefit if  
Tom claims as  
spouse:

Tom:	\$1,100
Sheila:	\$2,200
<b>TOTAL:</b>	<b>\$3,300</b>



# Who is Eligible?

- Children qualify too if you collect, and they are under age 18 or up to 19 if still in high school





# Let's Meet Their Child Sienna

- Qualifies for benefit of  $\frac{1}{2}$  of worker's full retirement age (FRA) benefit
- Monthly benefit = \$1,100 (until she's 18 or out of high school)



# Who is Eligible

- Divorced spouses aged 62 or older qualify as “spouse” if marriage lasted 10 years or longer (and they aren’t remarried)



# Meet Sheila's Ex Frank

- Marriage lasted 11 years
- Full Ret Age = 66
- Monthly Benefit = \$800
- Unmarried

Qualifies for benefit of  $\frac{1}{2}$  of worker's full retirement age (FRA) benefit

Monthly benefits:

Worker:	\$800
Ex-Spouse:	\$1,100





Two Things  
to Think  
About



# If You Collect “Early” and Continue to Work

2022 Retirement Earnings Limits	
Under FRA \$1 of benefits withheld for every \$2 in earnings above the limit	\$19,560/year
Year Individual reaches FRA \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to attaining FRA	\$51,960/year
Month individual reaches FRA and beyond Reduction no longer applies	Unlimited

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Source: <https://www.ssa.gov/benefits/retirement/planner/whileworking.html>





# Benefit Becomes Taxable as Your Income Rises

Filing Status	Provisional Income = earnings (pensions, 401(k) withdrawals, dividends, taxable interest from investments ) + interest on tax-exempt bonds + 50% of SS benefit	Amount of SS subject to tax
Single Or Head of Household	Under \$25,000 \$25,000 - \$34,000 Over \$34,000	0 50% 85%
Married, Filing Jointly	Under \$32,000 \$32,000 - \$44,000 Over \$44,000	0 50% 85%

The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Source: [www.socialsecurity.gov/planners/taxes.html](http://www.socialsecurity.gov/planners/taxes.html)



**Roth distributions count as income for provisional tax purposes.**


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True

False

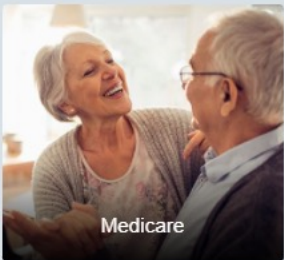



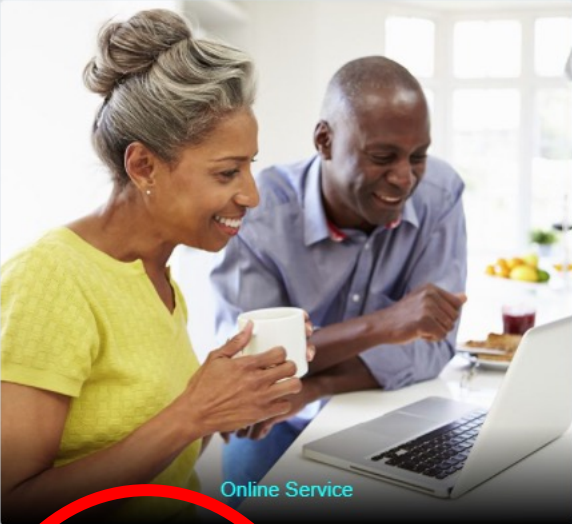
# Find Out Your Benefits


## www.SSA.gov

 Social Security

SEARCH MENU LANGUAGES SIGN IN/UP


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






**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.




**How to Get Help**

Learn how to get help from Social Security.



**FAQs**

Get answers to frequently asked questions about Social Security.

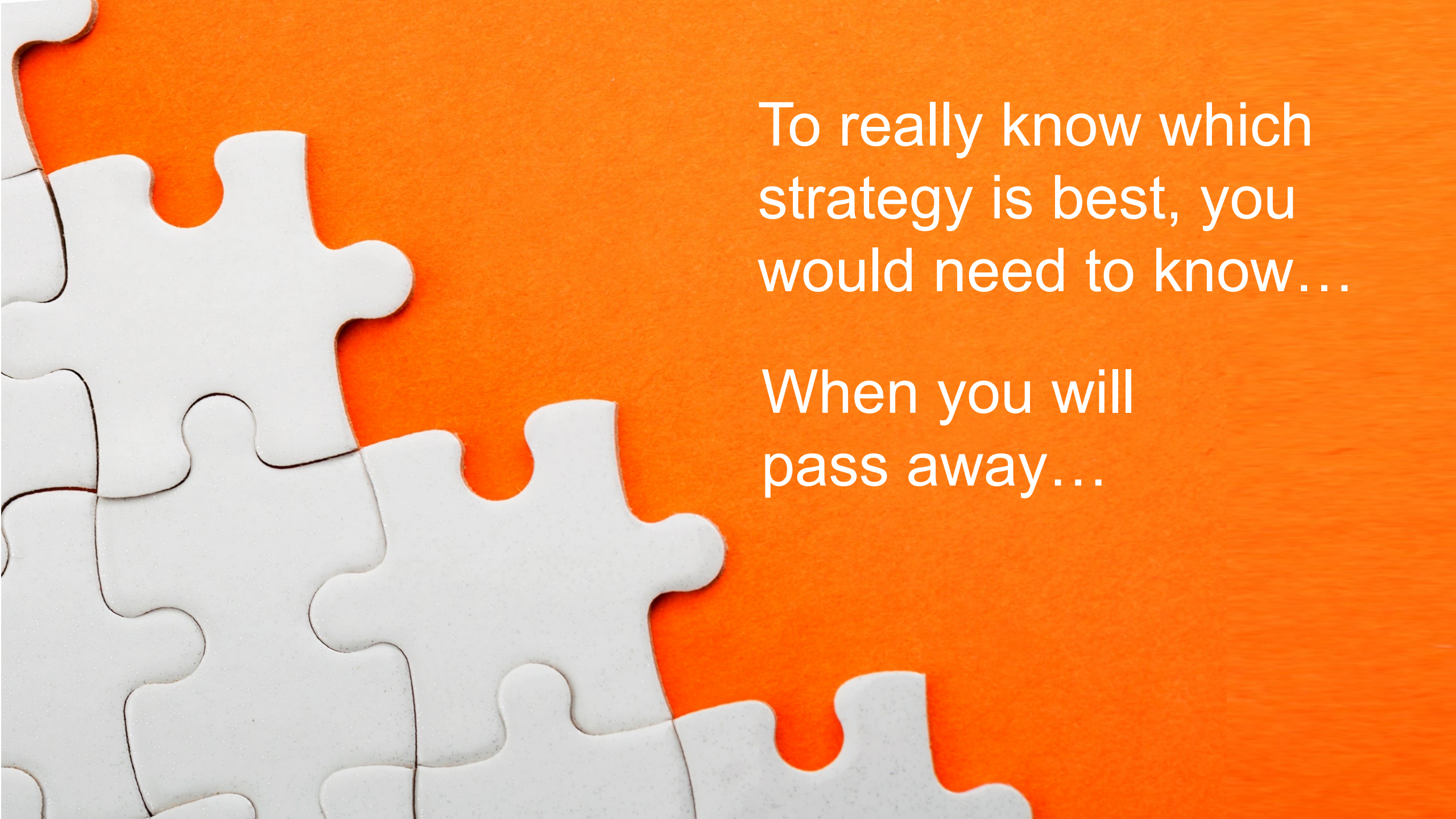


# What we will cover today

- ✓ Social Security: The Basics
- ✓ Strategies to Maximize Benefits







To really know which  
strategy is best, you  
would need to know...

When you will  
pass away...

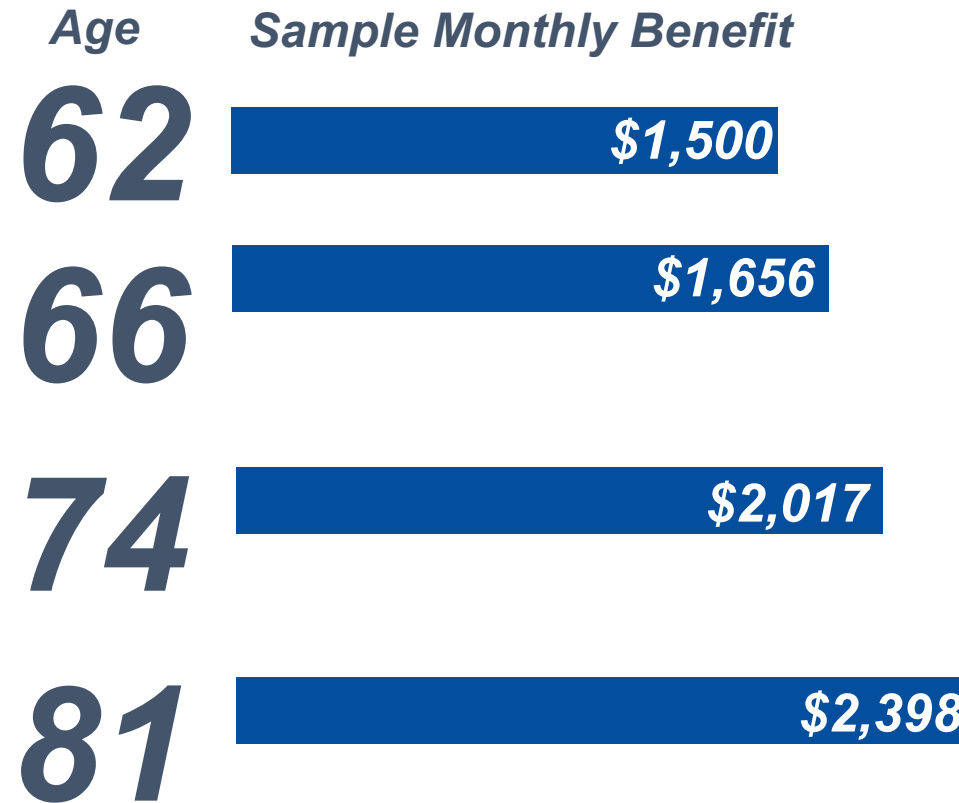
# Strategies to Maximize Social Security Benefits

- Delay taking benefits





# It May Pay to Wait

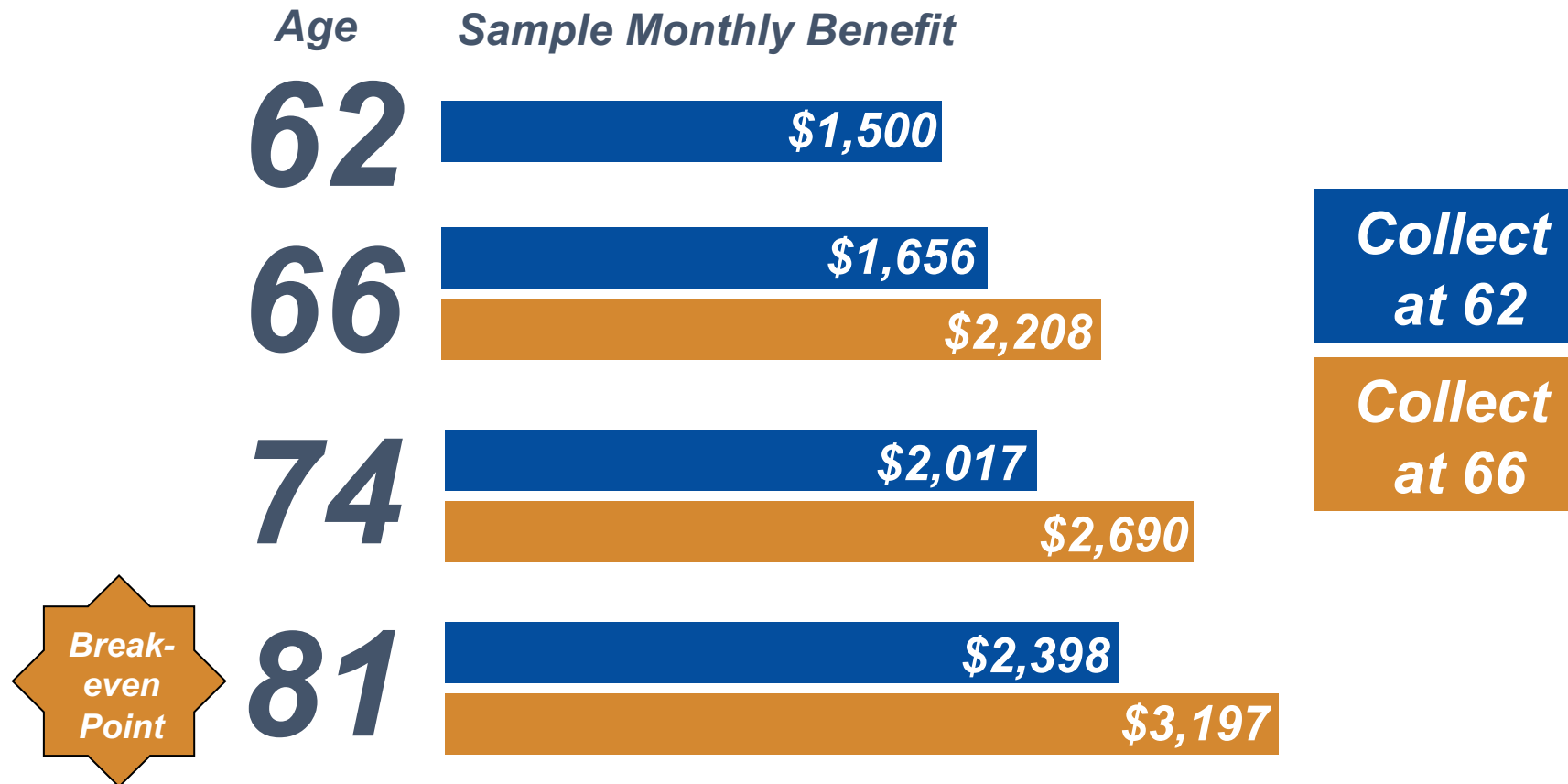


**Collect  
at 62**

Source: What You Need To Know About Social Security, Money Magazine, October 2009. The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed.



# It May Pay to Wait



Source: What You Need To Know About Social Security, Money Magazine, October 2009. The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed.



# Strategies to Maximize Social Security Benefits

- Delay taking benefits
- Coordinate spousal benefits



# Ground Rules on Spousal Benefits

- Can't collect a spousal benefit until worker files for own benefit (unless divorced)
- Spousal benefit reduced if spouse collects before FRA but won't increase if delayed past FRA





Have One  
Spouse Wait  
to Collect

# Have One Spouse Wait to Collect

Tom

Full Ret Age = 66

Monthly benefit at 62 = \$645

Monthly benefit at 66 = \$900

Monthly benefit at 70 = \$1,224

Sheila

Full Ret Age = 66

Monthly benefit at 62 = \$1,576

Monthly benefit at 66 = \$2,200

Monthly benefit at 70 = \$2,993

**Tom collects \$645 at age 62. Sheila waits.**





# Have One Spouse Wait to Collect

**Sheila collects at age 70**  
**Tom switches to his spousal benefit**

Tom

Full Ret Age = 66

Monthly benefit at 62 = \$6~~X~~5

Monthly benefit at 66 = \$900

Monthly benefit at 70 = \$1,224

Sheila

Full Ret Age = 66

Monthly benefit at 62 = \$1,576

Monthly benefit at 66 = \$2,200

Monthly benefit at 70 = \$2,993



**When Sheila files, Tom's spousal benefit would be \$1,100.**

---

True

False

# Have One Spouse Wait to Collect

Tom

Full Ret Age = 66

Monthly benefit at 62 = \$6~~X~~5

Monthly benefit at 66 = \$900

Monthly benefit at 70 = \$1,224

**New Spousal Benefit is \$788  
because Tom collected early.**

Sheila

Full Ret Age = 66

Monthly benefit at 62 = \$1,576

Monthly benefit at 66 = \$2,200

Monthly benefit at 70 = \$2,993



# Collecting Survivor Benefits

- Surviving spouses can collect on deceased worker's record if married for at least nine months
- Survivor receives 100% of full benefit at FRA, they can collect a reduced benefit as early as age 60



# Collecting Survivor Benefit

Tom

Full Ret Age = 66

Monthly benefit at 62 = ~~\$615~~

Monthly benefit at 66 = \$900

Monthly benefit at 70 = \$1,224

**New Spousal Benefit = ~~\$718~~**

Sheila

Full Ret Age = 66

Monthly benefit at 62 = \$1,576

Monthly benefit at 66 = \$2,200

Monthly benefit at 70 = ~~\$2,993~~

**Higher Benefit  
Survives the  
First Death**



# Collecting Survivor Benefits

- Divorced spouse may claim survivor benefit if marriage lasted 10 years
- If entitled to both individual and survivor benefits, can begin to collect one, then switch to the other later





# Collecting Survivor Benefits

Monthly benefits if  
Sheila lives:

**Ex-Spouse: \$1,100**

Monthly benefits at  
Sheila's passing:

**Ex-Spouse: \$2,200**



# File and Suspend: No Longer Allowed

- Higher wage earner applies at FRA then suspends
- Lower wage earner THEN can start on the spousal benefit
- Allows higher wage earner's benefit to grow
- NOW – no longer allowed!

***Can still do this  
IF  
you have reached  
FRA before  
April 30, 2016***



# Restricted Application: No Longer Allowed

- At FRA, wage earner restricts their benefit to only spousal benefit... then switches over to own later
- NOW – when you file, you get the higher of the two

***Can still do this  
IF  
you were born  
before 1954***



# Apply Online/Phone

[www.ssa.gov/800-772-1213](http://www.ssa.gov/800-772-1213)

- 4 months in advance of when you wish to start benefits
- 3 months if you wish to apply for SS and Medicare



# Learn More

Visit [www.ssa.gov](http://www.ssa.gov)  
or call 800-722-1213

Or visit a local office





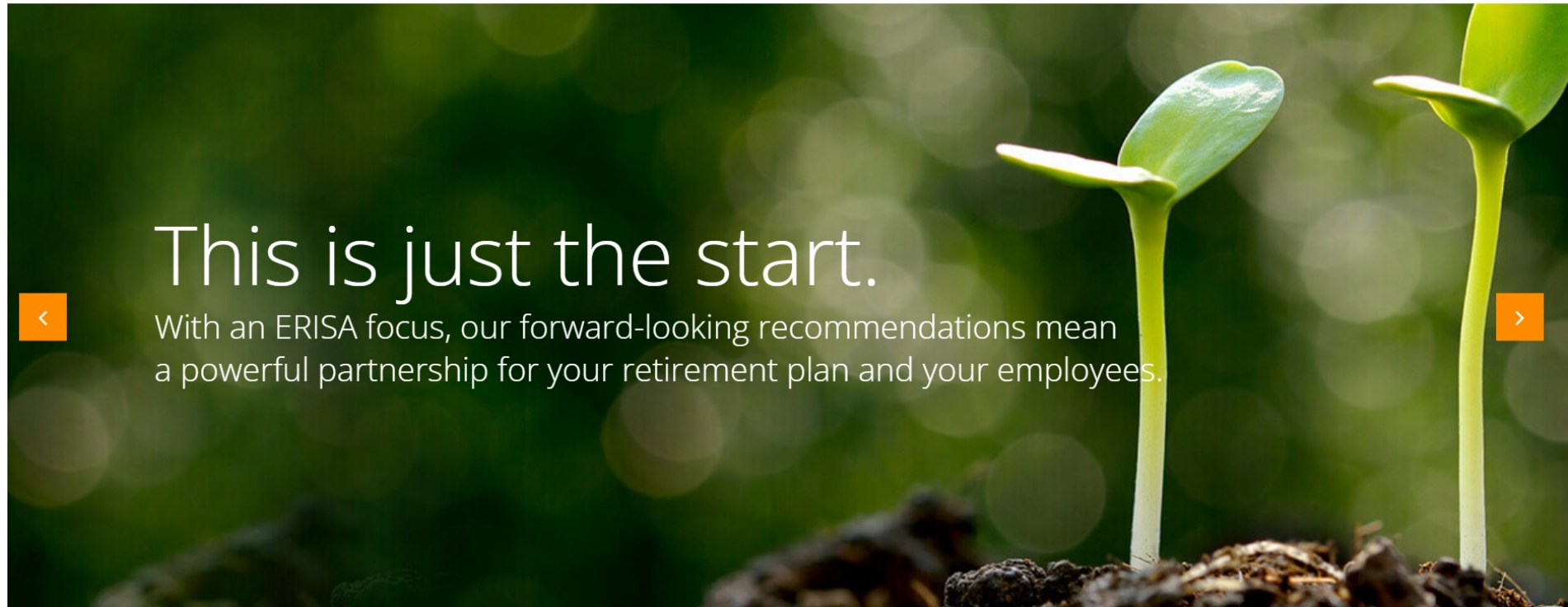
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# Questions?

# Answers!

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866-232-6457

