



SOCIAL SECURITY

A Foundation for Planning Your Future

OTHER INCOME

SAVINGS & INVESTMENTS

PENSION

SOCIAL SECURITY

RETIREMENT BENEFITS

3

You Need to Work to Earn Social Security Credits

- **Must earn 40 credits or 10 years of work to qualify for retirement benefits**
- **Each \$1,120 in earnings gives you one credit**
- **You can earn a maximum of 4 credits per year**
- **To earn 4 credits in 2010, you must earn \$4480.00**

4

How Social Security Determines Your Benefit

★ Social Security benefits are based on earnings

- | | |
|--------|--|
| Step 1 | Your wages are adjusted for changes in wage levels |
| Step 2 | Find the monthly average of your 35 highest earnings years |
| Step 3 | Result is “average indexed monthly earnings” |

5

Your Age When You Retire Affects Your Benefits

- As early as age 62
★ Benefit will be permanently reduced
- At Full Retirement Age (FRA)
No benefit reduction -100%
- Delayed retirement
Benefit increased by 8% per year from FRA and age 70

6

Full Retirement Age

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

7

In Addition to the Retiree, Who Else Can Get Benefits?

Spouse:

- Age 62 and currently married
- OR
- Any age if caring for child under 16 or disabled
- Other person must be receiving benefits
- Does not affect the amount of the other person

8

In Addition to the Retiree, Who Else Can Get Benefits?

Note: If own benefit amount is more than half of spouse's, cannot file for spouse's benefits.

Example: John Doe receives \$1200 a mo. Sally Joe files for benefits, she is entitled to \$1000 a mo. Sally cannot file for benefits on Joe's record. Her benefit amount is more than half of John's

Example: Mary Joe receives \$1800 a mo. Her husband, Ricky Bobby files for benefits, he is entitled to \$600.00 a mo. Ricky will receive \$600.00 from his record and an additional \$300.00 from Mary Joe's record.

9

Other In Addition to the Retiree, Who Else Can Get Benefits?

Divorced Spouses:

- ★ Age 62 and Unmarried
- Married 10 or more years
- Divorced for at least 2 years
- Former Spouse must be age 62 or older
- Former Spouse does not have to receive
- The half of benefit rule also applies

10

Who Can Get Survivors Benefits?

Widow or Widower:

- **Reduced benefits as early as age 60 (Unmarried)**
- **If disabled as early as age 50**
- **Any age if caring for child under 16 or disabled**
- **Divorced widows/widowers may qualify (Married 10+ yrs)**

11

Benefits for Children

Child:

- **Not married under 18** (under 19 and in full time high school attendance)
- **Do not pay benefits when enrolled in college**
- **Not married and disabled before age 22**
- **Applies to retirement, disability and survivor's benefits**

12

Other Survivors Benefits

Lump Sum Death Payment:

- \$255 paid to most spouses or children

13

You Can Work & Still Receive Benefits



If You Are	You Can Make Up To	If You Make More, Some Benefits Will Be Withheld
Under Full Retirement Age	\$14,160/yr. (\$1,180/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$37,680/yr. (\$3,140/mo.)	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

14

What Income Counts Towards the Earnings Test Limits



Income that Counts as Earnings



**Gross wages from employment
and/or net earnings from self employment**

Income that Does NOT Count as Earnings

- Inheritance payments
- Interest and dividends
- Pensions
- Capital gains
- Income from investments
- Other sources

15

What Should I Do, if I go back to work ?

- Contact Social Security at 800-772-1213
- Provide SSN and other information
- Say “ I have returned to work and need to file a work report”
- Provide estimated Gross Yearly Wages
- Representative will complete action
- Should receive notice in 10-14 days
- Recontact if you stop work
- Recontact if you will make more than reported

16

MEDICARE

17

Who Can Get Medicare?

65 & older

-or-

**Receiving Social Security disability
benefits at least 24 months**

-or-

Permanent kidney failure

-or-

Amyotrophic Lateral Sclerosis (ALS)

18

Medicare Coverage

Three Types of Coverage:

- Part A Hospital Insurance (HI)
- Part B Supplementary Medical Insurance (SMI)
- Part D Prescription Drug Plan

19

Medicare Coverage



- Part A Hospital Insurance
 - Covers most inpatient hospital expenses
 - 2010 Deductible \$1,100
- Part B Supplementary Medical Insurance
 - Covers 80% doctor bills & other outpatient medical expenses after 1st \$155 in approved charges
 - 2010 Monthly Premium \$110.50*
- Part D Medicare Prescription Drug Plan
 - Covers a major portion of prescription drug costs for Medicare beneficiaries
 - 2010 average Monthly Premium \$30

20

When Can I Sign Up for Medicare?



Medicare Enrollment Periods:

- Initial - at age 65
- Special - if still working
- General - January-March

21

Initial Enrollment Period

- Age 65
- Automatically enrolled if receiving Social Security Retirement or Disability Payments before age 65
- Contact Social Security 3 months before age 65 to enroll in Medicare if not receiving benefits

22

Special Enrollment Period

- Enroll in Medicare Part B any time while you are covered under health group plan based on you or spouse's "current employment"

OR

- Enroll in Medicare Part B during the **eight-month** period that begins with the month your group health coverage ends, or the month of employment- whichever comes first
- Can enroll without being penalized- Penalty is 10% for every 12 mo period not enrolled in Part B

Note: If you do not enroll by the end of the eight-month period you will have to wait until the General Enrollment Period

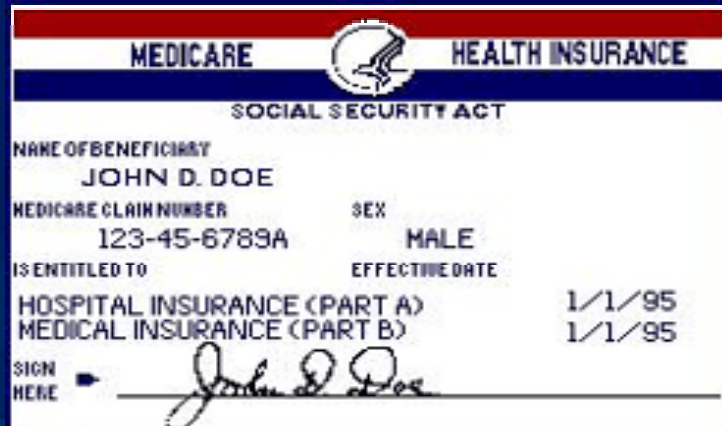
23

General Enrollment Period


- Jan 1 thorough March 31
- Coverage begins on July 1
- Monthly premium increases 10% for each 12 month period you were eligible for Part B but did not enroll

24

Example of a Medicare Card



The image shows a sample Medicare card with the following details:

MEDICARE		HEALTH INSURANCE	
SOCIAL SECURITY ACT			
NAME OF BENEFICIARY JOHN D. DOE			
MEDICARE CLAIM NUMBER	123-45-6789A	SEX	MALE
IS ENTITLED TO	EFFECTIVE DATE		
HOSPITAL INSURANCE (PART A)	1/1/95		
MEDICAL INSURANCE (PART B)	1/1/95		
SIGN HERE			

25

SSA vs. Medicare

- SSA enrolls individuals in Medicare Part A and Part B
- SSA takes monthly premiums out of benefits
- Medicare handles Part C and Part D enrollment
- Medicare handles inquiries regarding doctor payments and coverage

26

Adjusted Medicare Part B Premiums in 2010

Medicare beneficiaries with income greater than \$85,000 (\$170,000/couple)

Part B Premiums in 2010 will be calculated on a sliding scale based on the modified adjusted gross income reported on IRS tax returns

Under \$85,000 (\$170,000/couple):	Part B premium \$110.50
\$85,000-\$107,000 (\$170,000-\$214,000/couple):	Part B premium \$154.70
\$107,000-\$160,000 (\$214,000-\$320,000/couple):	Part B premium \$221.00
\$160,000-\$214,000 (\$320,000-\$428,000/couple):	Part B premium \$287.30
Over \$214,000 (\$428,000/couple):	Part B premium \$353.60



27

Adjusted Medicare Part B Premiums in 2010



- Automated data from IRS used to calculate premium
- Income from 2 years prior used to compute premium (e.g., adjusted gross income for 2008 used to calculate 2010 premium)
- Appeals available if income has changed due to divorce, death of a spouse, retirement, natural disaster, etc.

28

For More Medicare Information

1-800-MEDICARE

(1-800-633-4227)

TTY 1-877-486-2048

www.medicare.gov

29

What Should You Do to Prepare for Your Retirement?

Get estimates of benefits using different retirement ages and wage estimates



www.socialsecurity.gov

30

www.socialsecurity.gov/estimator

Social Security Online

Benefit Calculators

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About the Retirement Estimator

How the Retirement Estimator Works

The Retirement Estimator produces estimates that are based on your actual Social Security earnings record. Retirement estimates are just that, estimates. They will vary slightly from the actual benefit you may receive in the future because:

- Your Social Security earnings record is constantly being updated;
- Our calculators use different parameters and assumptions (e.g., different stop work ages, future earnings projections, etc.); and
- Your actual future benefit will be adjusted for inflation.

Caution: You cannot use the Estimator if you [block access](#) to your personal information.

Who Can Use the Retirement Estimator

You can use the [Retirement Estimator](#) if:

- You are **not** currently receiving benefits on your own Social Security record;
- You are **not** a Medicare beneficiary;
- You have enough [Social Security credits](#) at this time to qualify for benefits; and
- You are **not** eligible for a [Pension Based on Work Not Covered By Social Security](#).

Estimate Your Retirement Benefits

How Long Can You Stay On Each Page?

For security reasons, there are time limits for viewing each page. You will receive a warning after 25 minutes without doing anything, and you will be able to extend your time on the page. After the third warning on a page, you must move to another page or your time will run out and your work on that page will be lost.

Note: If you turned JavaScript off in your browser, you will not receive these warnings. After you spend 30 minutes on a page, you must move to another page or you will be logged out.

www.socialsecurity.gov



SOCIAL SECURITY ONLINE

THE OFFICIAL WEBSITE OF THE U.S. SOCIAL SECURITY ADMINISTRATION

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Retirement

Survivors

Disability

Supplemental Security Income (SSI)

Medicare

What You Can Do Online

Business Services Online

Your Social Security Earnings Statement

Already Receiving Benefits

Forms and Publications

Report Fraud, Waste or Abuse

Find a Social Security Office

Contact Us

Login



Watch a brief video about our website (less than two minutes)

INFORMATION IF YOU ARE:

Filing Online for Retirement Benefits

Applying for Disability Benefits

Requesting a Social Security Card

Estimate your retirement benefits!

Receive updates by email

QUESTIONS?

-- Choose Topic --

GO

INFORMATION FOR...

-- Choose Group --

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OTHER USEFUL LINKS

-- Choose Site --

GO

NEWS

Social Security Launches New Online Retirement Estimator

Press Releases

More news...

USA.gov Benefits.gov

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Wednesday Aug 27, 2008 11:26:58 Last updated August 20, 2008 8:29 AM

Social Security's Online Services



- Retirement & Disability Applications
- Apply for Extra Help
- Retirement/Survivors/Disability Planner
- Request a *Statement*
- Change of Address
- Medicare Card Replacements
- Request a Benefit Verification Letter
- Start or Change Direct Deposit

33

Payment Delivery Day

- No partial month benefits (for age 62 must be born 1st or 2nd day of the month)
- Benefits paid the month following the month they are due. (June's payment issued in July)
- Pay date based on day of workers birth:
 - 1st through 10th - 2nd Wednesday
 - 11th through 20th - 3rd Wednesday
 - 21st through 31st - 4th Wednesday
- If drawing benefits before June 1, 1997 or eligible to SSI, paid on 3rd day of the month.



34

Visit Our Website or Call!

www.socialsecurity.gov

-or-

1-800-772-1213

TTY 1-800-325-0778



35



RetireOnline
It's so easy

www.socialsecurity.gov

Patty Duke