



Social Security: With You Through Life's Journey...



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and tomorrow



Produced at U.S. taxpayer expense

30 minutes from now, you'll know the answers



- Will it be there for me?
- How do I qualify for Social Security?
- How are benefits figured?
- What about Medicare?



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And those darn offsets!!!!



- One reduces your own benefit
- The other offsets any benefits you might be due on your spouse's Social Security record
- And I know you won't believe this, but I'm going to try to convince you they are **fair!!**



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Social Security's Impact on America

- It has made an enormous difference in the lives of millions of Americans
- It has allowed families to stay together after times of crisis
- It has raised the standard of living for lower income Americans



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Social Security is More than a Retirement Program

- Disability Insurance
- Survivors Insurance
- Philosophy 101:
Sometimes life doesn't
turn out as planned!



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Will it even be there?

- Of course! A better question to ask: How will Social Security change?
- Major Social Security reforms will be long-range and phased in over decades (i.e. affect young rather than old)



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Windfall Elimination Provision (WEP)

WEP can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

socialsecurity.gov/retire2/wep.html



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Will you get something?

- Must have 40 credits (formerly called “quarters”)
- That means roughly 10 years of Social Security taxed work (not consecutive)
- In 2018 earn 1 credit for each \$1,320 earned, but no more than 4/year



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How Your Retirement Benefit is Computed

- Step 1
 - Wages are adjusted for inflation (not consecutive)
- Step 2
 - Your highest 35 years of earnings are added together and divided by 420 months
 - The result is the “Average Indexed Monthly Earnings” (AIME)



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2018 Retirement Benefit Formula

If your average monthly earnings are = **\$5,500**

Then your monthly benefit would be = **\$2,260**

Average Monthly Earnings = \$5,500



90% of First..... **\$895 = \$805**



32% of Earnings over \$895 through \$5,397... **\$4,502 = \$1,440**
(\$5,397 - \$895 = \$4,502)



15% of Earnings over \$5,397..... **\$103 = \$15**

\$5,500 \$2,260

**Payments rounded to whole dollar amounts*



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Example:

AIME = \$1500



– 90% X 895 = 805

– 32% X 5397 = 222

– 15% X 0 = 0

– Primary Insurance Amount **1027**



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Replacement Rates



Low Income Worker: 55 - 90%

Average Income Worker: 40%



Upper Income Worker: 25%



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Public employees look “poor”

- The addition of all those “zero” years gives us an artificially low average wage
- So our computer thinks we’re poor and gives us the 90% rate of return



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But we're not “poor”



- A public employee is not the kind of low-income worker the weighted benefit formula is trying to compensate
- We're an average paid worker and should get rate of return for average Americans



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Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation
90% of the <u>first</u> \$895	40% of the <u>first</u> \$895
32% of the next \$4,502	32% of the next \$4,502
15% of the remainder	15% of the remainder

Max WEP for 2018 is \$447/month



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Windfall Elimination Provision

Standard Computation

- 90% of first \$895
- 32% of next \$4502
- 15% of remainder

WEP Computation

- 40% of first \$895
- 32% of next \$4502
- 15% of remainder



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Example:



AIME = \$1500

40%

358.00

~~– 90%~~ X 895 =

~~796.50~~

– 32% X 4502 (605) =

222.00

– 15% X 0 =

0.00

– Primary Insurance Amount

~~1027.00~~

580.00



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Exception To The Windfall Formula

Years of Coverage

% Formula

30 or more

90

29

85

28

80

27

75

26

70

25

65

24

60

23

55

22

50

21

45



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Substantial Social Security Wages for Exception

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
1990	\$9,525

Year	Substantial earnings
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
2015–2016	\$22,050
2017	\$23,625



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Maximum Monthly Amount Your Benefit May Be Reduced Because of the Windfall Elimination Provision (WEP)

ELY	Years of Substantial Earnings 										
	20 or less	21	22	23	24	25	26	27	28	29	30
2013	395.5	356.0	316.4	276.9	237.3	197.8	158.2	118.7	79.1	39.6	0.0
2014	408.0	367.2	326.4	285.6	244.8	204.0	163.2	122.4	81.6	40.8	0.0
2015	413.0	371.7	330.4	289.1	247.8	206.5	165.2	123.9	82.6	41.3	0.0
2016	428.0	385.2	342.4	299.6	256.8	214.0	171.2	128.4	85.6	42.8	0.0
2017	442.5	398.3	354.0	309.8	265.5	221.3	177.0	132.8	88.5	44.3	0.0

***Important:** The maximum amount may be overstated. The WEP reduction is limited to one-half of your pension from non-covered employment.



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WEP Guarantee:
Amount of reduction can never
exceed
one half of the public pension
amount



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Social Security

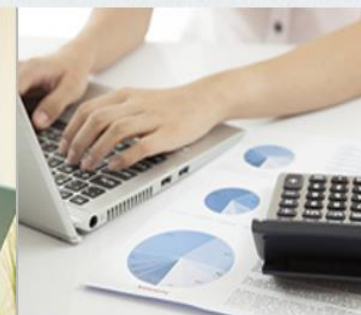
Official Social Security Website

[Home](#)[Numbers & Cards](#)[Benefits](#)[Information for...](#)[Business & Government](#)[Our Agency](#)

How much could I get from Social Security?
Create a my Social Security account today and find out



Apply for Retirement



Employers:
File W-2s online



Get Benefit Verification Letter



Change of Address



Who Can Get a *Statement* Online?

You must be at least 18 years old and have:

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



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How Do I Get My *Statement* Online?

To get your *Statement* online, you must first create a *my* Social Security account with us. Once you have an account, you can view your *Social Security Statement* at any time.

Sign In or Create an Account

Sign In

Username

[Forgot Username?](#)

Password

[Forgot Password?](#)

Sign In

Create an Account

Don't have an account? Create one now.

[? Learn More](#)

[v Important Information](#)

Create An Account



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Retirement Estimator



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 2034, the payroll taxes collected will be enough to pay only about 79 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.

Who Can Use the Retirement Estimator

You can use the Retirement Estimator if:

- You have enough [Social Security credits](#) at this time to qualify for benefits **and**
- You are **not**:
 - Currently receiving benefits on your own Social Security record;
 - Waiting for a decision about your application for benefits or Medicare;
 - Age 62 or older and receiving benefits on another Social Security record; **or**
 - Eligible for a [Pension Based on Work Not Covered By Social Security](#).

If you are currently receiving only Medicare benefits, you can still get an estimate. For more information go to this link for our publication [Retirement Information For Medicare Beneficiaries](#).

If you cannot use the Retirement Estimator **or** you want a survivors or disability benefit estimate, please use one of our other benefit [Calculators](#).

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](#)
- [Retirement Toolkit](#)



Online Applications

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

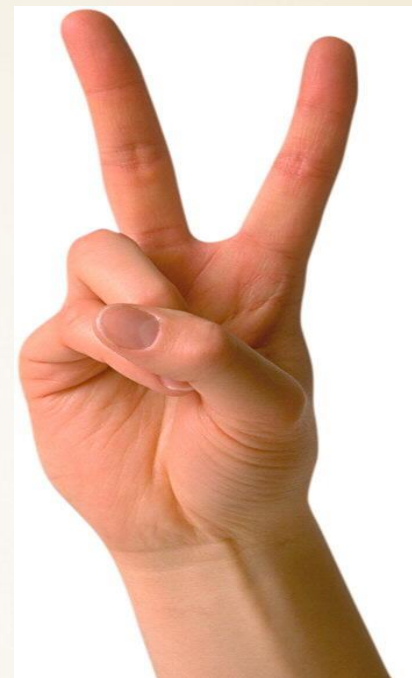
Note:

If you need information about how to move around in the Retirement Estimator, please read "[How To Move Around In This Application](#)."



Two Important Points

- If you have 40/more credits you will definitely get a SS check
- But if you have paid SS taxes for fewer than 30 substantial years, your benefit will be adjusted (and your Social Security statement is wrong)



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Government Pension Offset

- A type of benefit reduction that may affect some spouses and widows or widowers
- If you receive a government pension based on work not covered by Social Security, your SS spouse's or widow(er)'s benefits may be reduced.



socialsecurity.gov/gpo



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Government Pension Offset

2/3 of amount of non-covered pension will be used to reduce the Social Security spouse's/widow(er)'s benefits.

Examples:

\$1200 Non-covered Pension

$2/3 = \$800$

If Social Security spouse's or widow(er)'s benefit = \$750,
no benefit payable due to offset

If Social Security spouse's or widow(er)'s benefit = \$1000,
\$200 would be payable after offset

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Key to understanding GPO



- Understanding that “dependents” benefits should be paid to someone who is “dependent”
- Consider history of spouse’s benefits under Social Security



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Before GPO...

- Tom & Sue paid SS
- Tom gets \$1000 SS
- Sue gets \$1000 SS
- Sue can't get wife's benefit because her own SS "offsets" it
- Law recognizes that Sue was not dependent on Tom
- Al paid SS & Ann was PERS
- Al gets \$1000 SS
- Ann gets \$1000 PERS retirement
- We also paid Ann \$500 in SS wife's benefits!
- Old law didn't see Ann is not dependent

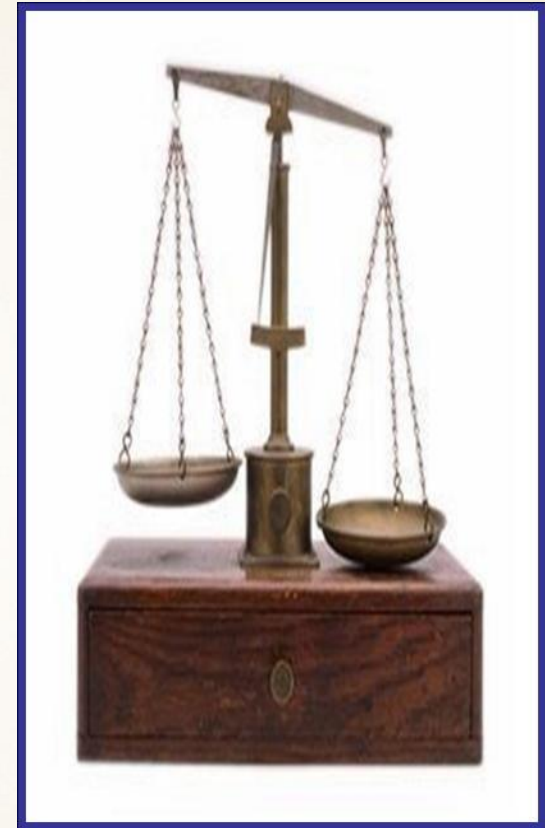


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GPO ensures fairness...

- It treats Ann, the public employee, the same way we treat Sue, the private sector employee
- It says you can't get a dependent's benefit unless you truly are dependent

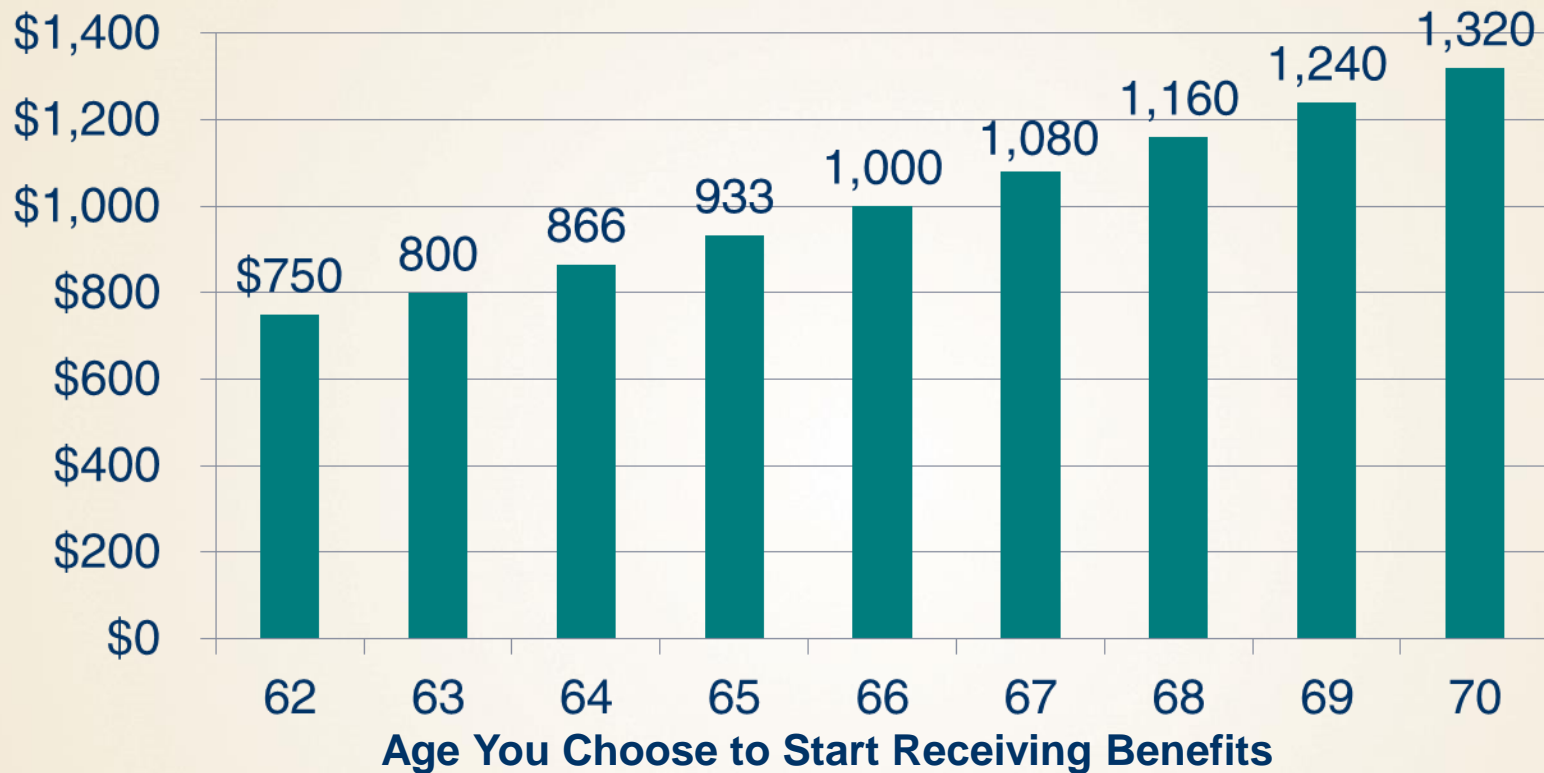


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What Is the Best Age to Retire?

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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Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	A \$500 spouse benefit taken at age 62 would be reduced by
1943-1954	66	25%	30%
1955	66 and 2 months	25.83%	30.83%
1956	66 and 4 months	26.67%	31.67%
1957	66 and 6 months	27.5%	32.5%
1958	66 and 8 months	28.33%	33.33%
1959	66 and 10 months	29.17%	34.17%
1960 +	67	30%	35%



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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	\$17,040/yr.	\$1 for every \$2
The Year Full Retirement Age is Reached	\$45,360/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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Medicare & Public Employees

- Even if not paying Social Security tax, most of you are paying Medicare tax
- Those who don't pay Medicare tax may get it on a spouse's SS record
- You will get Medicare on spouse's record even if your cash benefit is offset (GPO)



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Current Medicare Card

MEDICARE



HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
FEMALE

IS ENTITLED TO

HOSPITAL	(PART A)	07-01-1986
MEDICAL	(PART B)	07-01-1986

Sign Here → *Jane Doe*

New Medicare Card



MEDICARE HEALTH INSURANCE

Name of Beneficiary
JOHN L SMITH

Medicare Number/Number of Medicare
1EG4-TE5-MK72

Entitled to Part A through a

Entitled to Part B through a

PART A	03-03-2016
PART B	03-03-2016



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Medicare

Part A = Hospital Insurance

Part B = Medical Insurance

Part C = Medicare Advantage Plans

Part D = Prescription Drug Plans

Visit [Medicare.gov](https://www.Medicare.gov) for details



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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

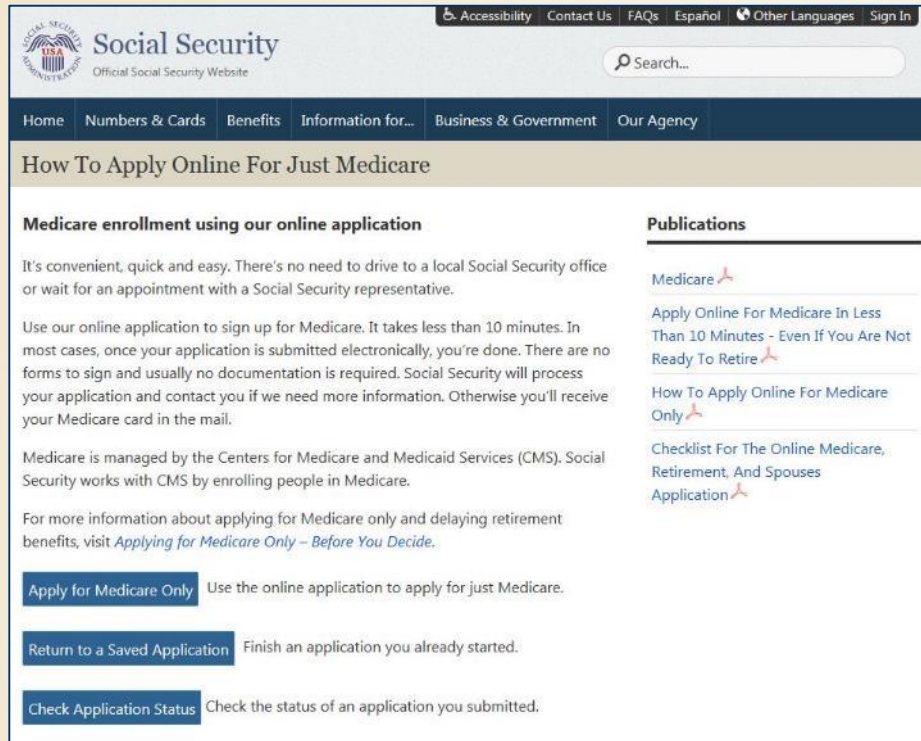
If 65 or older and covered under a group health plan based on your – or your spouse's – current work.



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Medicare Applications



The screenshot shows the Social Security website's Medicare application page. At the top, there's a navigation bar with links for Accessibility, Contact Us, FAQs, Español, Other Languages, and Sign In. Below this is a search bar and a main menu with links for Home, Numbers & Cards, Benefits, Information for..., Business & Government, and Our Agency. The main heading is "How To Apply Online For Just Medicare". Under this, there's a section titled "Medicare enrollment using our online application" which explains that it's convenient and quick, taking less than 10 minutes. It also mentions that the application is processed electronically and that users will receive their Medicare card in the mail. To the right, there's a "Publications" section with links to "Medicare", "Apply Online For Medicare In Less Than 10 Minutes - Even If You Are Not Ready To Retire", "How To Apply Online For Medicare Only", and "Checklist For The Online Medicare, Retirement, And Spouses Application". At the bottom, there are three buttons: "Apply for Medicare Only" (with the text "Use the online application to apply for just Medicare."), "Return to a Saved Application" (with the text "Finish an application you already started."), and "Check Application Status" (with the text "Check the status of an application you submitted.").

If you already have Medicare Part A and wish to add Medicare Part B, simply take or mail forms CMS 40-B and CMS-L564 to your local Social Security office

socialsecurity.gov/medicare/apply.html



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If you enroll in this month of your initial enrollment period:

One to three months before you reach age 65

The month you reach age 65

One month after you reach age 65

Two or three months after you reach age 65

Then your Part B Medicare coverage starts:

The month you reach age 65

One month after the month you reach age 65

Two months after the month of enrollment

Three months after the month of enrollment



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The standard Part B premium for 2018 is \$134.00.

If you're single and file an individual tax return, or married and file a joint tax return:

If your yearly income in 2016 (for what you pay in 2018) was			You pay each month (in 2018)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$187.50
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	Not applicable	\$267.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	Not applicable	\$348.30
above \$160,000	above \$320,000	above \$85,000	\$428.60



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Medicare.gov

The Official U.S. Government Site for Medicare

Search

[Sign Up /
Change Plans](#)

[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?

Go

[Find health
& drug plans](#)

[Apply for
Medicare](#)

[Get started
with Medicare](#)



New measures for home health services

[Learn more](#)

Get your Medicare Summary Notices (MSNs) electronically

[Go paperless](#)

Address change/Medicare card issue?



Go

Information for my situation



Go

Find someone to talk to



Go

1-800-MEDICARE or Medicare.gov



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Medicare.gov

The Official U.S. Government Site for Medicare

type search term here

Search

Sign Up /
Change PlansYour Medicare
CostsWhat Medicare
CoversDrug Coverage
(Part D)Supplements &
Other InsuranceClaims &
AppealsManage Your
HealthForms, Help, &
Resources

Get your Medicare Summary Notices (MSNs) electronically

Go paperless

Getting Started

Welcome to Medicare's free, secure online service for accessing personalized information about your Medicare benefits and services. After you sign in, you can fill out the Initial Enrollment Questionnaire (IEQ), view claims information, get quality information about your providers, and more.

New to MyMedicare.gov? [Create an account](#)

MyMedicare.gov

Claims

Plans & Coverage

My Health

Online Tour

Secure Sign In

Fields marked with a red asterisk (*) are required

*Username

*Password

Sign In

[Trouble Signing In?](#)

Or

[New To MyMedicare.gov?](#)

Blue Button

**Blue Button**
Download My Data

Blue Button lets you easily access and download your personal health information as a file to your computer or mobile device. You'll find the Blue Button on the top of the page as you navigate through MyMedicare.gov. You must be a registered user on MyMedicare.gov to use this feature.

MyMedicare.gov Help

[▶ Using MyMedicare.gov](#)[▶ Getting Started](#)[▶ Account Services](#)[▶ Customer Service](#)Securing today
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MyMedicare.gov

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State Health Insurance Assistance Program (SHIP)

- SHIP offers FREE one-on-one unbiased assistance and counseling to seniors to make informed decisions about Medicare, programs and long-term care insurances.
 - 800-307-4444
 - 702-486-3476



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Applying for Benefits

3 options available to apply:



Online



By phone 1-800-772-1213



At our office

You choose the most convenient option for you!

Note: Supplemental Security Income (SSI), child and survivor claims can only be done by phone or in a field office (not online) at this time. We are developing an online SSI application.



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Advantages of Online Applications

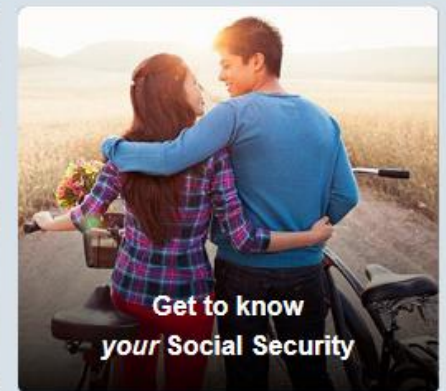
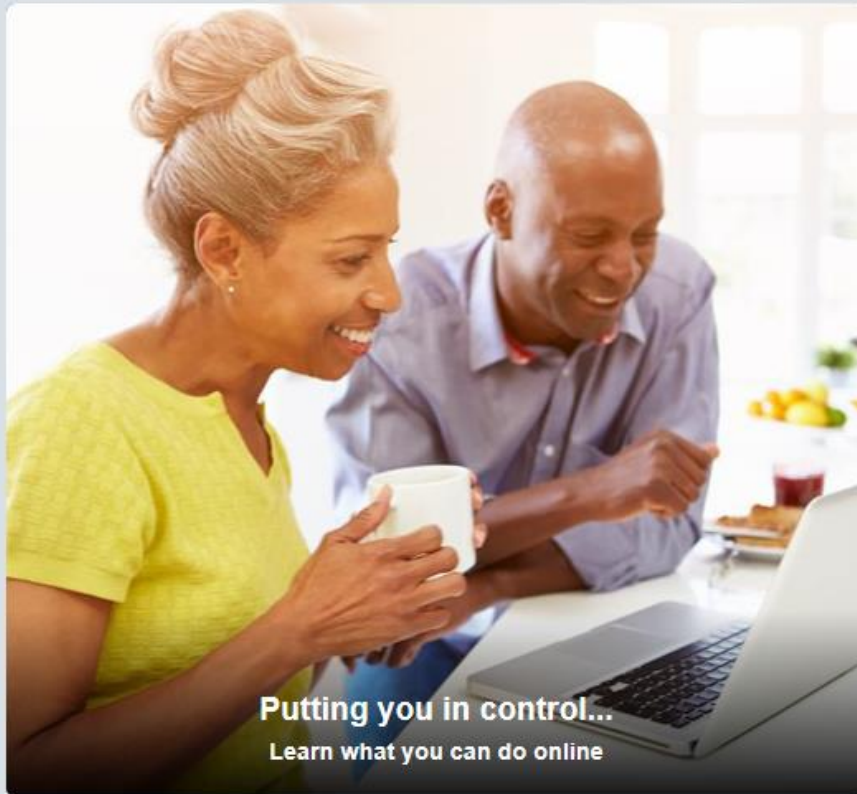
When you apply for benefits online, you can:

- Complete the application at your convenience
- Take several sessions to complete the application
- Take advantage of online help
- Print a copy for your records before submitting the application.



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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

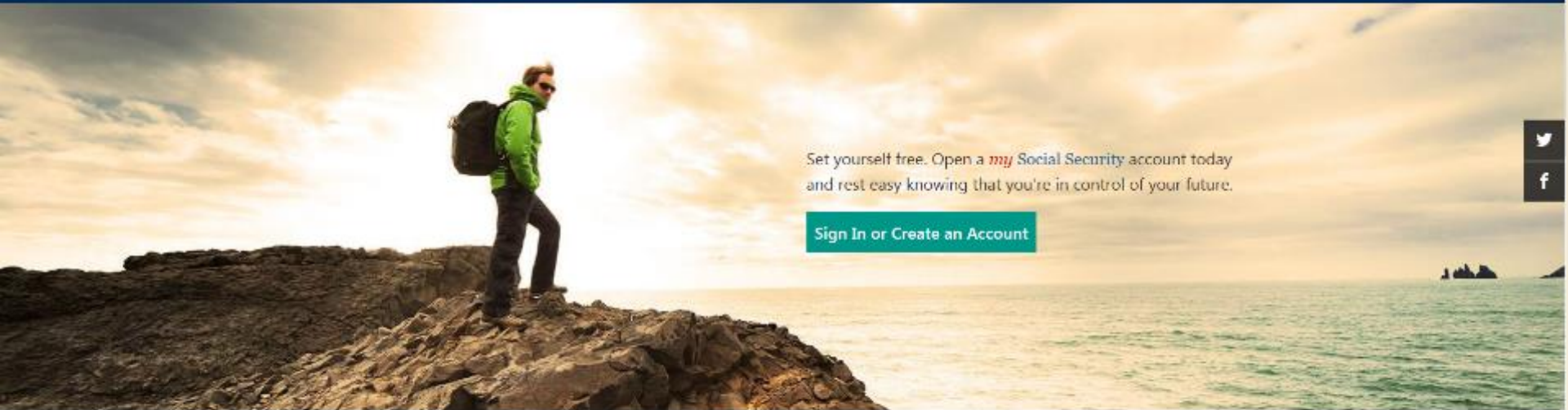
Get answers to frequently asked questions about Social Security.

my Social Security



Social Security

🔍 SEARCH ☰ MENU 🌐 LANGUAGES 🛡️ SIGN IN / UP



Set yourself free. Open a *my* Social Security account today and rest easy knowing that you're in control of your future.

[Sign In or Create an Account](#)

HAVE AN ACTIVATION CODE?

[Finish Setting Up Your Account](#)

Received assistance from Social Security to create your account? Finish the process by entering your activation code now.



socialsecurity.gov/myaccount



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my Social Security Services

If you receive benefits or have Medicare, you can:

- Request a replacement Social Security card if you meet certain requirements;
- Get a benefit verification letter as proof that you are getting benefits;
- Check your benefit and payment information and your earnings record;
- Change your address and phone number;
- Start or change direct deposit of your benefit payment;
- Request a replacement Medicare card; and
- Get a replacement SSA-1099 or SSA-1042S for tax season.



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my Social Security Services

If you do not receive benefits, you can:

- Request a replacement Social Security card if you meet certain requirements;
- Check the status of your application or appeal;
- Get a benefit verification letter as proof that you are not getting benefits;
- Get your Social Security Statement to review:
 - Estimates of your future retirement, disability, and survivor benefits;
 - Your earnings once a year to verify the amounts that we posted are correct; and
 - The estimated Social Security and Medicare taxes you've paid.



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How to open a *my* Social Security account

- 1 Visit *socialsecurity.gov/myaccount*
- 2 Select: Sign In or Create an Account
- 3 Provide some personal information to verify your identity.
- 4 Choose a “username” and “password” to create your account.



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We're With You Through Life's Journey



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Q&A session



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