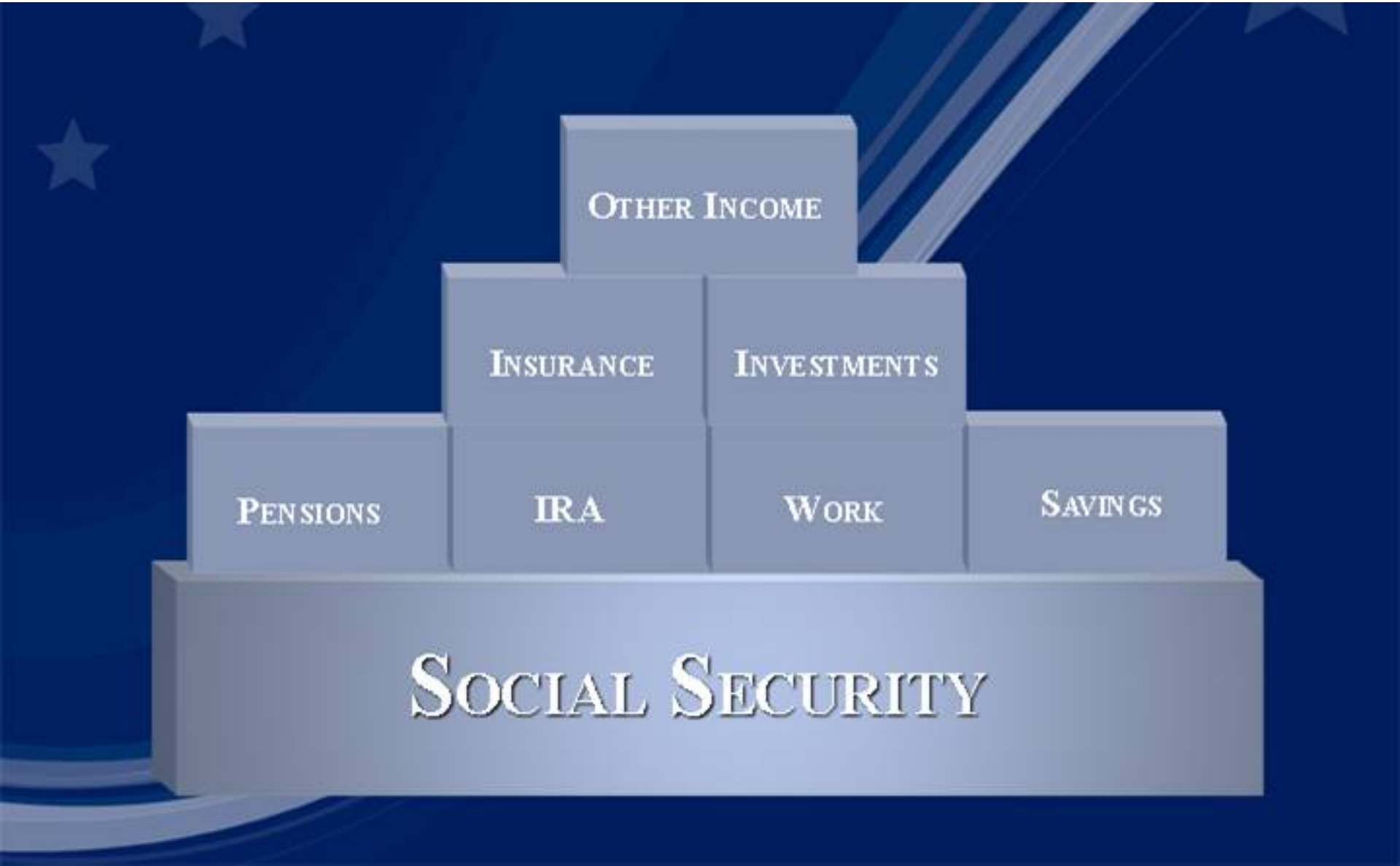
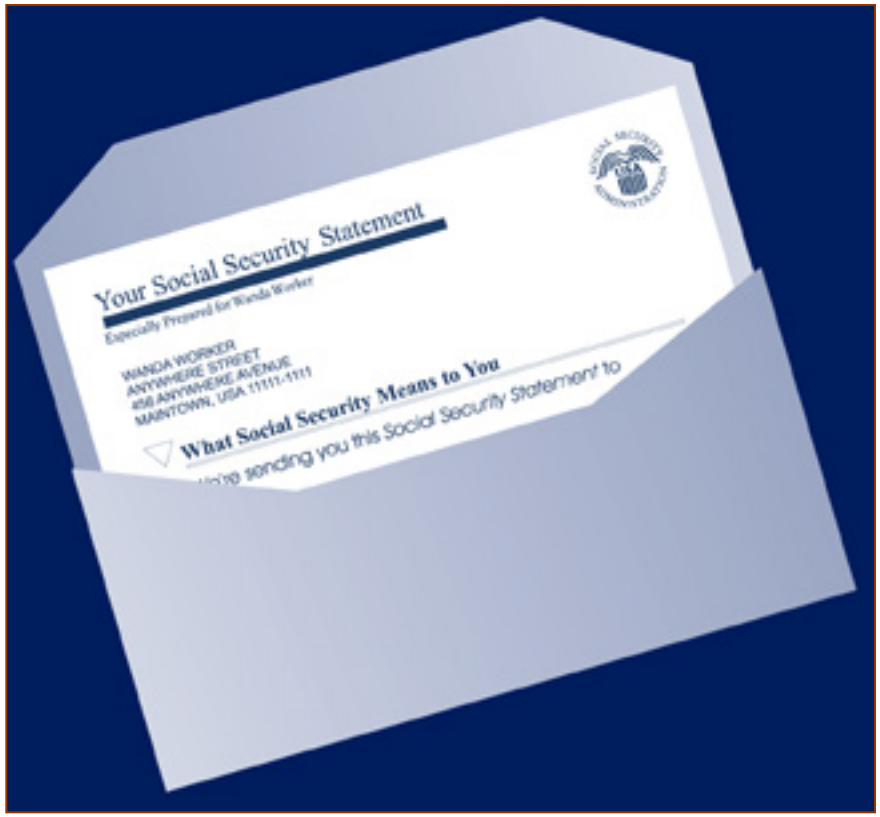
SOCIAL SECURITY

Planning for Retirement

A Foundation for Planning Your Future



The Social Security Statement



- **The Statement provides you with estimates of monthly Social Security retirement, disability and survivors Benefits**
- **The Statement provides earnings for you to check for accuracy**

my Social Security

Your Online Account ... Your Control ...

www.socialsecurity.gov/myaccount

***my* Social Security is an easy-to-access, easy-to-use portal to view and update some of your own Social Security information.**

Who Can Create a *my* Social Security Account?

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.**

Your Online *Social Security Statement* Provides

- **Estimates of the retirement and disability benefits you may receive;**
- **Estimates of benefits your family may get when you receive Social Security or die;**
- **A list of your lifetime earnings according to Social Security's records;**
- **The estimated Social Security and Medicare taxes you've paid;**
- **Information about qualifying and signing up for Medicare; and**
- **A printable version of your *Social Security Statement*.**

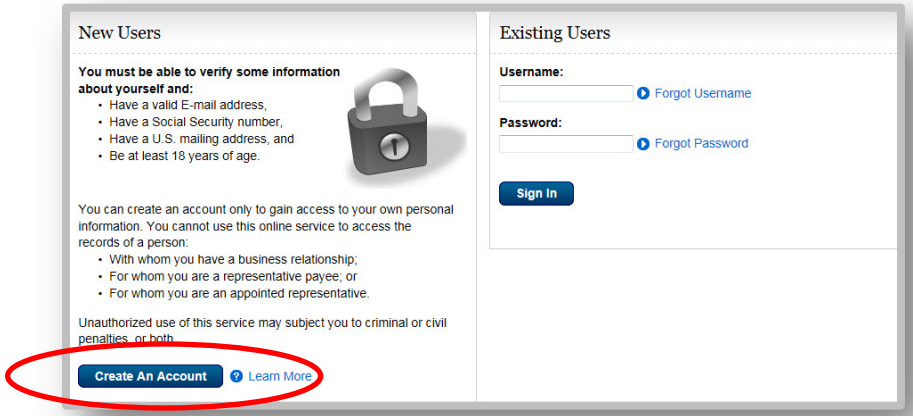
my Social Security

Getting Started

How to create a *my* Social Security account

Step 1

Visit *www.socialsecurity.gov/myaccount* and select: *my* Social Security



Step 2

Select "Create An Account."

my Social Security

Getting Started
How to create a *my* Social Security account

Step 3

Provide some personal information to verify your identity.

Step 4

Choose a username and password to create your account.

How Do You Qualify for Retirement Benefits?

- Age 62 (earliest possible retirement age)
- Need 40 credits (10 years of work)
- In 2016, $1,260 in earnings equals one credit
- You can earn a maximum of 4 credits per calendar year
- ($5,040)

How Social Security Determines Your Benefit

Social Security benefits are based on earnings

Step 1	Your wages are adjusted for inflation
Step 2	Find the average of your 35 highest earnings years
Step 3	Result is “average indexed monthly earnings”

In 2016, the maximum earnings taxable for Social Security is $118,500 gross. Because of these maximum limits, the maximum payment in 2016 is $2,639.

Full Retirement Age

Year of Birth	Full Retirement Age
1937	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 & later	67

Deciding When To Retire

- 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 between FRA and age 70)

Your Family Can Receive Benefits

Your Spouse

- At age 62 or older
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify
  - Have been married to worker for at least 10 years
  - Be at least 62 years old
  - Be unmarried
  - Not be eligible for an equal or higher benefit based on his/her own work record

Your Child

- Not married and under age 18 (under 19 if still in high school)
- Not married and disabled before age 22

Ready to Retire? Option 1

www.socialsecurity.gov

Ready to Retire? Option 2

Call Social Security toll-free at

1-800-772-1213

to ask for an appointment with a Social Security representative

If you are deaf or hard of hearing, you may call our TTY number

TTY 1-800-325-7778

What Will You Need When Applying for Your Social Security Benefits?

- ✓ Social Security Number for each applicant
- ✓ Proof of Age
- ✓ Proof of Citizenship/Lawful Alien Status if not born in U.S.
- ✓ Latest W-2 or Self-Employment Tax return
- ✓ Earnings Estimate if you will continue to work
- ✓ Information about Marriages/Divorces
- ✓ Information about Military or Railroad Service
- ✓ Bank information for Direct Deposit

You Can Work and Still Receive Benefits 2016

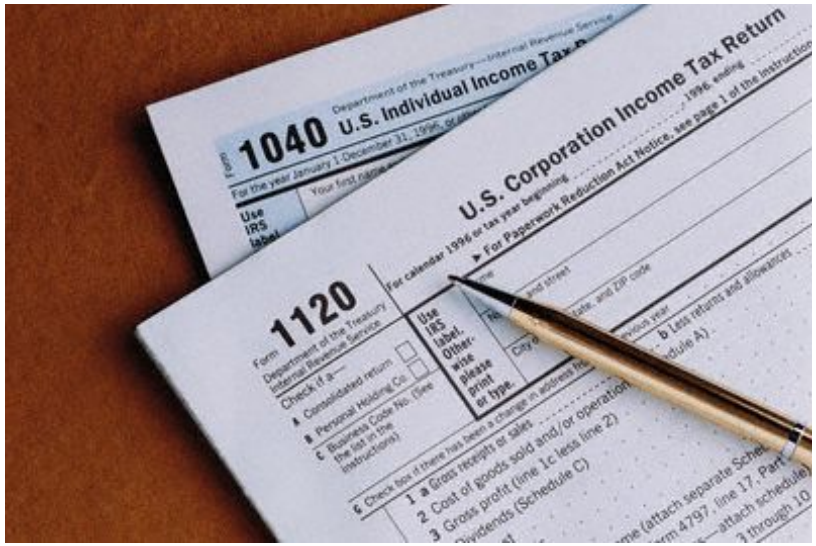
If You Are:	You Can Make Up To:	Withheld/Above:
Under Full Retirement Age	$15,720 ($1,310/mo.)	$1 for every $2
Months Before Full Retirement Age	$41,880 ($3,490/mo.)	$1 for every $3
Month of Full Retirement Age & Above		No Limit

Your Benefits May Be Taxable

- **Individual Tax Return**
  - -- $24,999 or less - no Federal tax on Social Security benefit
  - -- $25,000 - $34,000 - pay Federal tax on 50% of Social Security benefit
  - -- More than $34,000 - pay Federal tax up to 85% of Social Security benefit

For more information, call IRS toll free: 1-800-829-3676

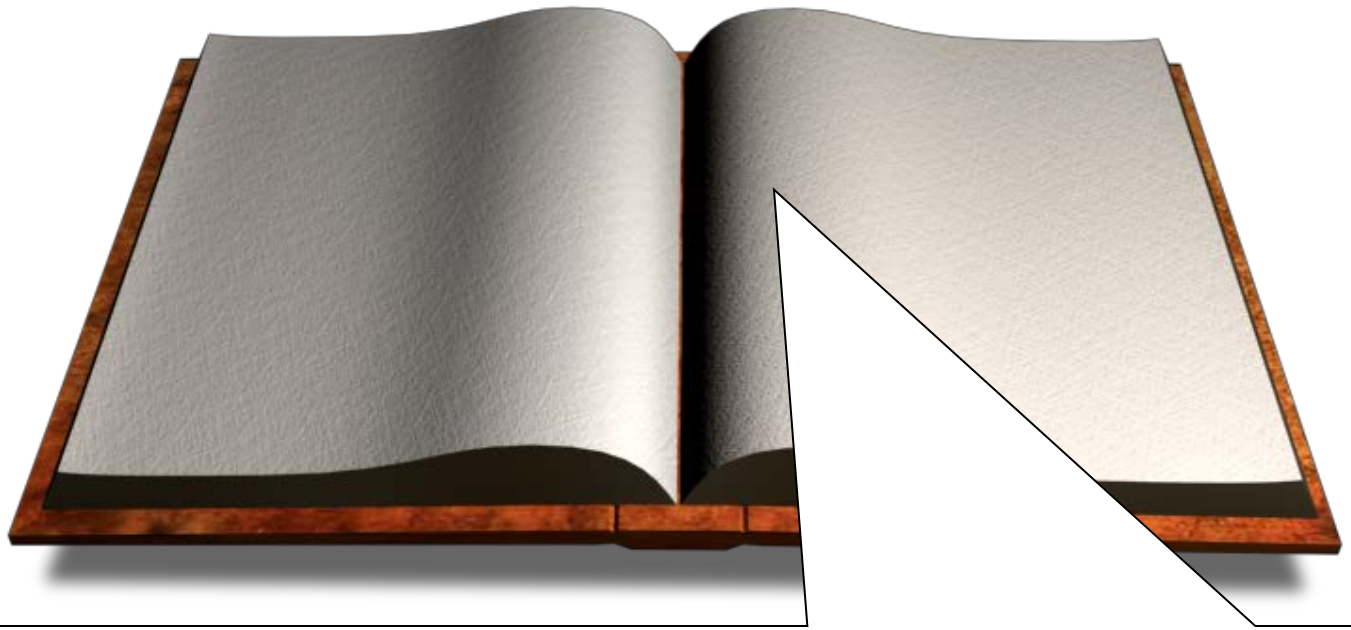
Your Benefits May Be Taxable



- **Couple, Married Filing a Joint Tax Return**
  - **-- $31,999 or less - no Federal tax**
  - **-- $32,000 - $44,000 - pay Federal tax on 50% of Social Security benefit**
  - **-- More than $44,000 - pay Federal tax up to 85% of Social Security benefit**

For more information, call IRS toll free: 1-800-829-3676

It also provides valuable disability and survivors benefits.



SOCIAL SECURITY'S DISABILITY DEFINITION:

A medical condition preventing substantial work for at least 12 months, or expected to result in death. The determination also considers age, education & work experience.

Who Can Get Disability Benefits?

Worker

- Must have paid into Social Security five out of last 10 years

Spouse

- Age 62 or older
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify

Child

- Not married under (under 19 if still in high school)
- Not married and disabled before age 22

Who Can Receive Survivors Benefits?

Widow or Widower:

- Reduced benefits at age 60
- If disabled as early as age 50
- At any age if caring for child under 16 or disabled
- Divorced widows/widowers may qualify

Child:

- Not married and under age 18
  (under 19 if still in high school)
- Not married and disabled before age 22

Windfall Elimination Provision

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.

Windfall Elimination Provision (WEP) - 2016

Normal Computation	WEP Computation
90% of the First $826	40% of the First $826
32% of the Next $4,980	32% of the Next $4,980
15% of the Remainder	15% of the Remainder

WEP Computation Example

If your average monthly earnings are = $1,500
Then your monthly benefit would be = $959.08

Average Monthly Earnings	**$1,500**		
90% → *40%* of First $826.00	**$826**	**=**	**$743.40 → 330.*40***
32% of next $4,980 (1500-826=674 x .32)	**$4,980**	**=**	**$215.68**
15% of any remaining Earnings over $4,624	**$4,624**	**=**	**$0**
Primary Insured Amount			**$959.08**
PIA with WEP offset			***$546.08***

Exception to the Windfall Elimination Provision

Years of Social Security Coverage	% 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

Our Online WEP calculator allows you to estimate your Social Security benefit.

Government Pension Offset (GPO)

If you receive a government pension based on work not covered by Social Security, your Social Security spouse's or widow(er)'s benefits may be reduced.

Government Pension Offset (GPO)

Applies to Spouse's Benefits Only

- 2/3 of amount of government pension will be used to reduce the Social Security spouse's benefits

Example:

- $1,200 of government pension 2/3 = $800
  Social Security spouse's benefits = $750
  No benefit payable by Social Security
- Our Online GPO calculator allows you to estimate your Social Security benefit.

Information for Government Employees

Windfall Elimination Provision (WEP)

- Who is affected?
- Why is a different formula used?
- How does it work?
- Are there exceptions?
- Is there a guarantee provision for those with low pensions?
- More...

Government Pension Offset (GPO)

- I receive a government pension. Will I receive any Social Security on my spouse's record?
- How much are Social Security benefits offset?
- Why are Social Security benefits offset?
- Who is exempt from the offset?
- What about Medicare?
- Can I still get benefits on my own record?
- More...

Some Federal employees and employees of State or local government agencies may be eligible for pensions that are based on earnings **not** covered by Social Security.

If you didn't pay Social Security taxes on your government earnings **and** you are eligible for Social Security benefits, the formula used to figure your benefit amount may be modified, giving you a lower Social Security benefit.

If you are eligible for Social Security benefits on your own record:

- The *Windfall Elimination Provision* (WEP) fact sheet (En Español) explains the formula Social Security may use to modify your benefit amount.
- *How the Windfall Elimination Provision Can Affect Your Social Security Benefit* provides a chart to show how your benefit amount changes based on your years of substantial earnings and the year you became eligible for benefits.
- Use the WEP Online Calculator to calculate your estimated retirement or disability benefits if you are affected by the WEP.

Your annual Social Security Statement does not reflect adjustments based on pensions from work not covered by Social Security.

Note: Some government pensions do not affect your benefit amount when you apply on your own record.

If you are eligible for Social Security benefits on your spouse's record:

- The *Government Pension Offset* (GPO) fact sheet (En Español) explains how your pension may affect your benefit on your spouse's record.

  Note: Some government pensions do not affect your benefit on your spouse's record.
- Use the GPO Online Calculator to calculate your estimated benefits as a spouse, widow or widower if you are affected by the GPO.

Things You Can Do Online

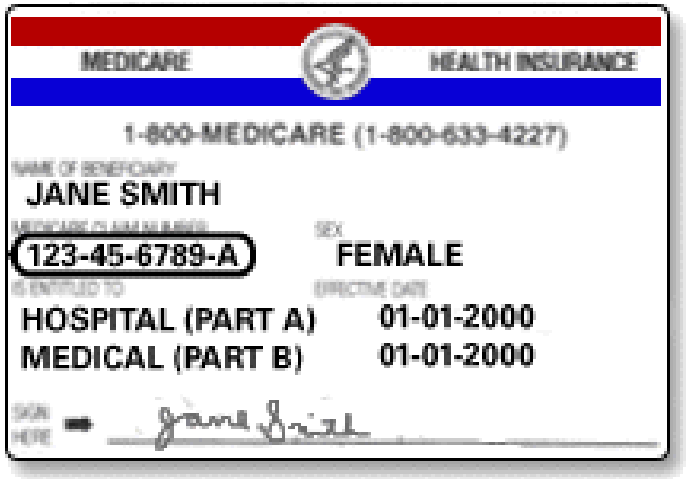
- Request your Social Security Statement
- Decide when to retire
- Calculate your estimated benefits if you are
  - affected by WEP
  - affected by GPO

offset apply to your Social Security retirement

Click Here to recalculate your benefits

Does the pension offset apply to your Social Security spousal benefits?

Who Can Get Medicare?



Age 65 & older

OR

Receiving Social Security disability benefits for 24 consecutive months

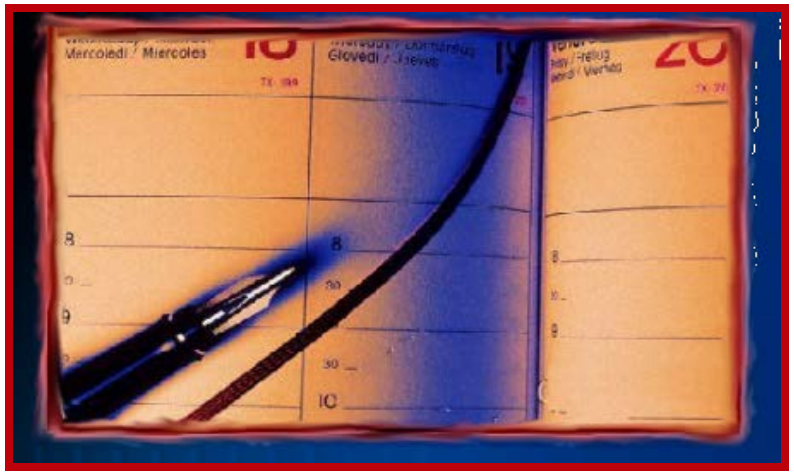
OR

Permanent Kidney Failure

OR

Lou Gehrig's Disease (ALS)

When Should You Sign Up for Medicare?



Medicare Enrollment Periods:

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

Medicare Coverage

Part A: Hospital Insurance

- Covers most inpatient hospital expenses.
- 2016 Deductible: $1,288 for up to 60 days in the hospital

Part B: Supplementary Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses after $166 in approved charges.
- 2016 Monthly Premium $121.80*

Part D: Medicare Prescription Drug Plan

- Covers a major portion of prescription drug costs for Medicare beneficiaries.
- 2016 average Monthly Premium $68
- Annual deductible and co-payments vary by plan

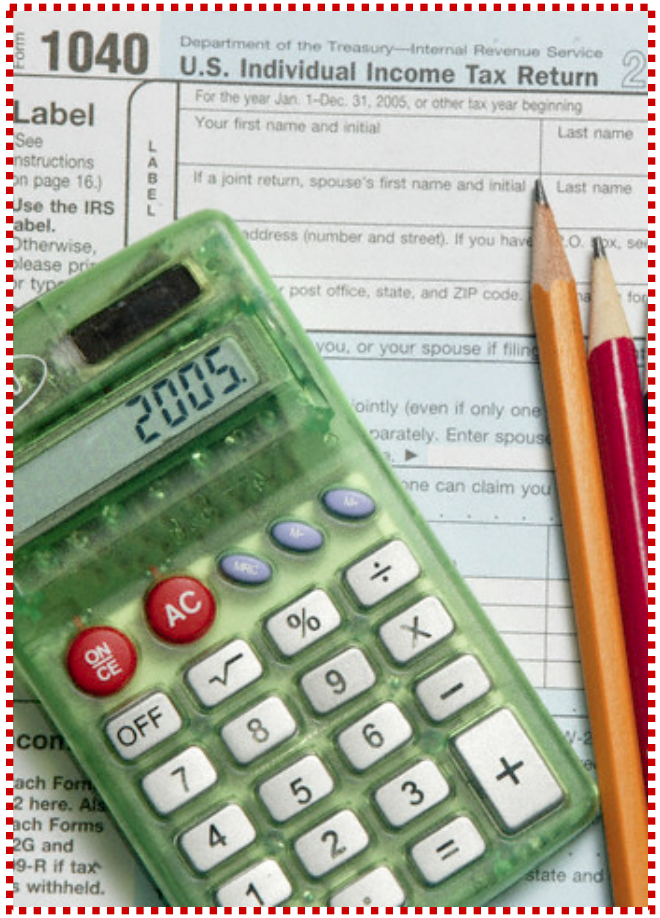
Adjusted Medicare Part B Premiums in 2016

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

Part B Premiums in 2016 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 $121.80
$85,000-$107,000 ($170,000-$214,000/couple):	Part B premium $170.50
$107,000-$160,000 ($214,000-$320,000/couple):	Part B premium $243.60
$160,000-$214,000 ($320,000-$428,000/couple):	Part B premium $316.70
Over $214,000 ($428,000/couple):	Part B premium $389.90

Adjusted Medicare Part B Premiums in 2016



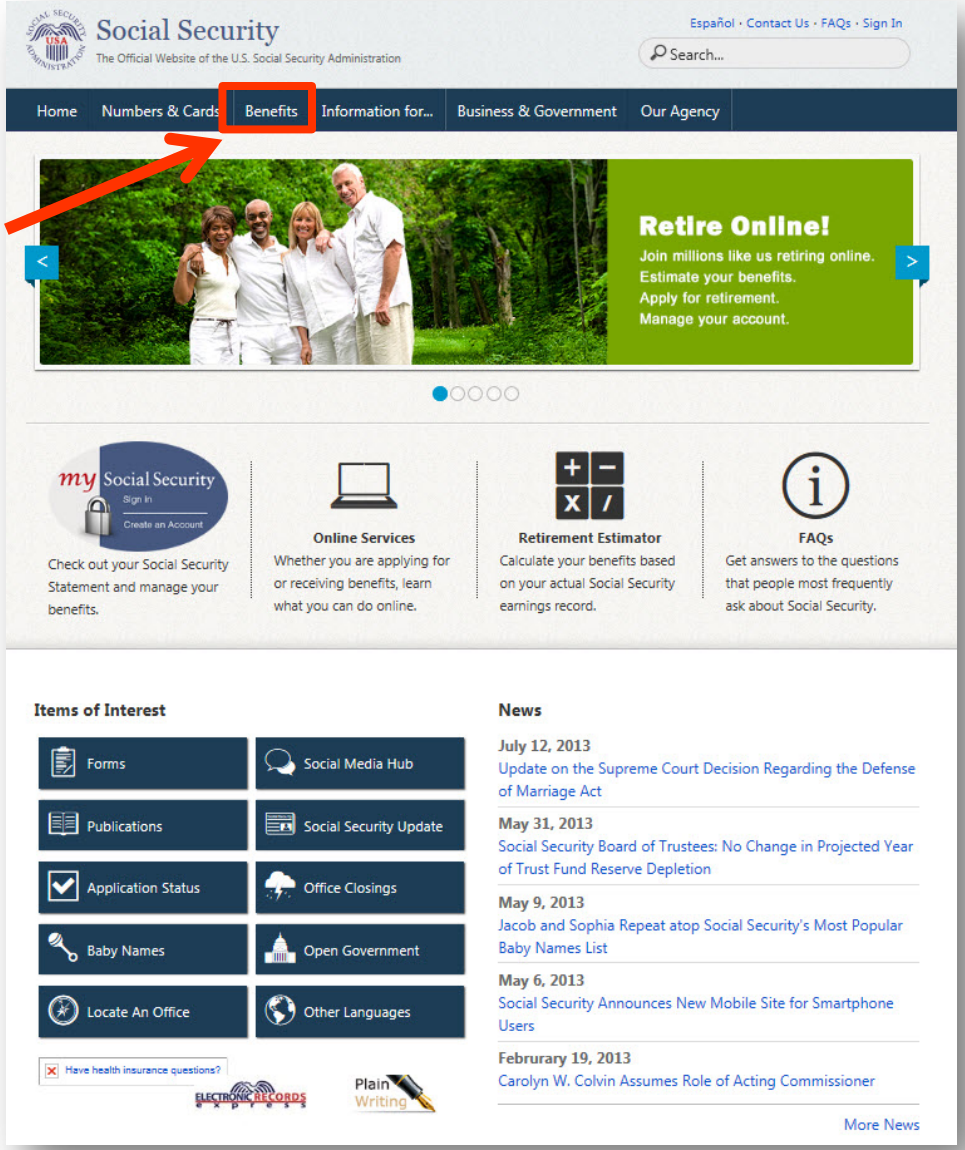
- Automated data from IRS used to calculate premium
- Income from 2 years prior used to compute premium (e.g., adjusted gross income for 2014 used to calculate 2016 premium)
- Appeals available if income has changed due to divorce, death of a spouse, retirement, natural disaster, etc.

For More Information

1-800-MEDICARE

www.medicare.gov

Applying for Retirement Benefits



You can apply online for Retirement Benefits by visiting www.socialsecurity.gov and clicking "Benefits"

Applying for Retirement Benefits

Social Security

The Official Website of the U.S. Social Security Administration

Benefit Application

Identification | General | Other Benefits | Remarks | Review & Submit | Next Steps

Applicant Identification

Applicant's Name:
Please provide the name as it appears on the most recent Social Security card.

First | Middle | Last | Suffix

Social Security Number (SSN):

Gender:
Male Female

Date of Birth:
Month | Day | Year

Next

In this section...

- Initial Information
- **Applicant Identification**
- Contact Information
- Birth and Citizenship
- Application Number
- Additional Information

About the 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. They will vary slightly from the actual benefit you may get in the future because:

- Your earnings record is always being updated;
- Our estimate makes different assumptions about your career, such as how long you'll keep working and how much you'll make; and
- Your actual future benefit will be adjusted for inflation.

BOOKMARK

Note: The "Bookmark" icon above links to a 3rd party service that is not affiliated with the Social Security Administration. [disclaimer]

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;
  - 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 and "*Retirement Information for Medicare Beneficiaries*."

Caution: You cannot use the Retirement Estimator if you blocked access to your personal information.

Estimate Your Retirement Benefits

What is the best age to start receiving retirement benefits?

Estimate Your Life Expectancy

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. If you do not, 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.

Applying for Disability Benefits

You can apply online for Disability Benefits by visiting .gov and clicking "Benefits"

Social Security
The Official Website of the U.S. Social Security Administration

Need Larger Text? | Contact Us

Search: GO

Home | Retirement | Disability | Survivors | SSI | Medicare | Business Services

Medicare

(Español)

FREQUENTLY ASKED QUESTIONS ABOUT MEDICARE BENEFITS

Learn About Medicare

- Medicare publications
- Get Extra Help with Medicare prescription drug plan costs
- Medicare Part B premium information for beneficiaries with higher incomes
- More Medicare Information

Apply for Medicare Benefits

Medicare is our country's health insurance program for people age 65 or older. Certain people younger than age 65 can qualify for Medicare, too, including those who have disabilities and those who have permanent kidney failure or amyotrophic lateral sclerosis (Lou Gehrig's disease). The program helps with the cost of health care, but it does not cover all medical expenses or the cost of most long-term care.

Medicare is financed by a portion of the payroll taxes paid by workers and their employers. It also is financed in part by monthly premiums deducted from Social Security checks.

The Centers for Medicare & Medicaid Services is the agency in charge of the Medicare program. But you apply for Medicare at Social Security, and we can give you general information about the Medicare program.

Medicare has four parts

- Hospital insurance (Part A) that helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care.
- Medical insurance (Part B) that helps pay for doctors' services and many other medical services and supplies that are not covered by hospital insurance.
- Medicare Advantage (Part C) plans are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through one of these provider organizations under Part C.
- Prescription drug coverage (Part D) that helps pay for medications doctors prescribe for treatment.

More...

Click Here
To file for Medicare

Apply For Medicare Benefits | Check Application Status

Apply For Extra Help with Medicare Prescription Plan Costs | Replace your lost stolen or damaged Medicare card

Lost your Medicare Card?
Click here to request a new one

Need Extra Help Paying for a Medicare Part D Prescription Plan?
Click here to see if you qualify

A word about Medicaid

You may think that Medicaid and Medicare are the same. Actually, they are two different programs. Medicaid is a state-run program that provides hospital and medical coverage for people with low income and little or no resources. Each state has its own rules about who is eligible and what is covered under Medicaid. Some people qualify for both Medicare and Medicaid. For more information about the Medicaid program, contact your local medical assistance agency, social services or welfare office.

Find an Answer to Your Question

Social Security Online

www.socialsecurity.gov

Are you an employer? See answers to your W-2 Reporting questions

Log In | Sign Up

Answer Home

Advanced Search

Search

Type your keywords or question here

Type in your question here

Most Useful Answers

- Replacing a lost Social Security card
- Applying for Supplemental Security Income (SSI) disability and blind benefits
- The Social Security Statement
- Changing your name on your Social Security card
- Applying for disability benefits
- The maximum Social Security retirement benefit

See all answers

Search Most Useful Topics

- Benefits
- Disability
- Social Security Statement
- Social Security Numbers and Cards
- Checks and Payments
- Supplemental Security Income

Social Security Services and Information

Services

Services for people currently receiving benefits

- Get a replacement Medicare card
- Choose your password
  If you received a password request code (PRC) letter, you can choose your password.
  (Not available for SSI).
- Get or change a password
  (Not available for SSI).
- Check your Social Security information or benefits
  See the contact, direct deposit, Medicare and payment information we have on file for you.
  (Password required)
- Request a proof of income letter
  Get a letter that verifies your Social Security benefit information. (Includes Medicare and SSI)
- Get a Form 1099/1042S – Social Security Benefit Statement Replace the lost, damaged, or missing tax summary of your Social Security benefits for 2009.
  (Not available for SSI).
- Change your address or telephone number
  (Not available for SSI).
- Change or sign up for direct deposit
  (Password required)
- Checks and payments
  - Schedule of payments
  - Direct Express card
- Block electronic and automated telephone access to your personal information
- Select or change the way you receive information from Social Security if you are blind or visually impaired

Questions?