

Social Security

MAKING THE MOST OF IT

Page 40 of the Workbook



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Our Agenda

I. Little Bit of History

II. Outlook

III. Eligibility

IV. Strategies

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Little Bit of History

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Why does it exist?

1776 - 1919

Most people lived in extended rural families



**Industrial
Revolution**

Post -1920

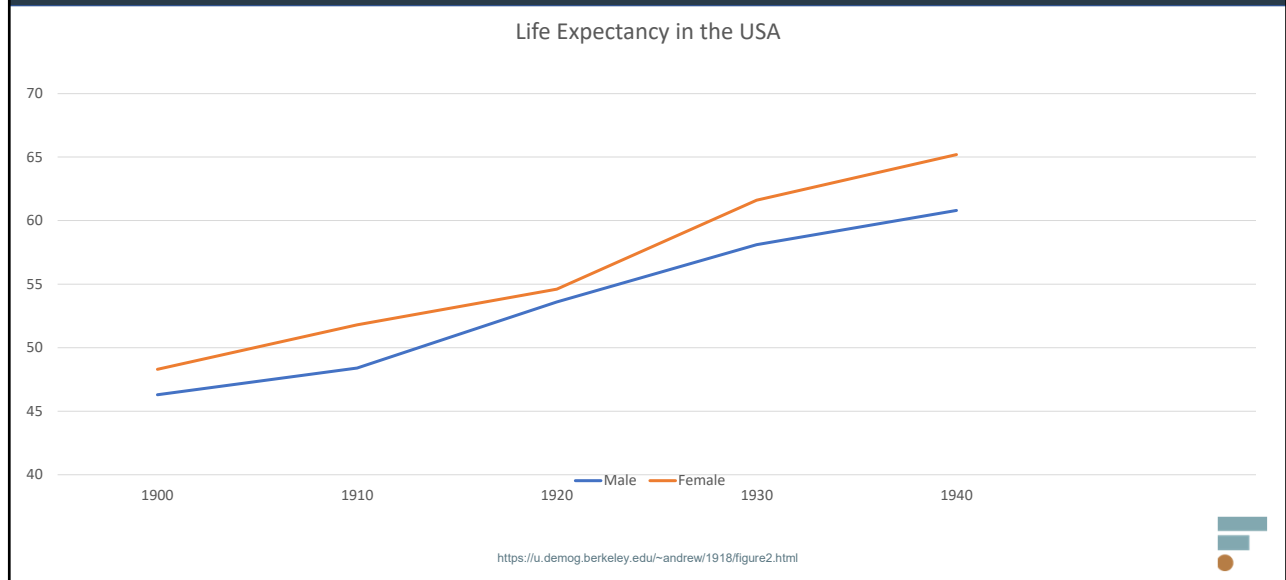
Most people lived in nuclear urban families



https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2022/fast_facts22.html

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Why does it exist?



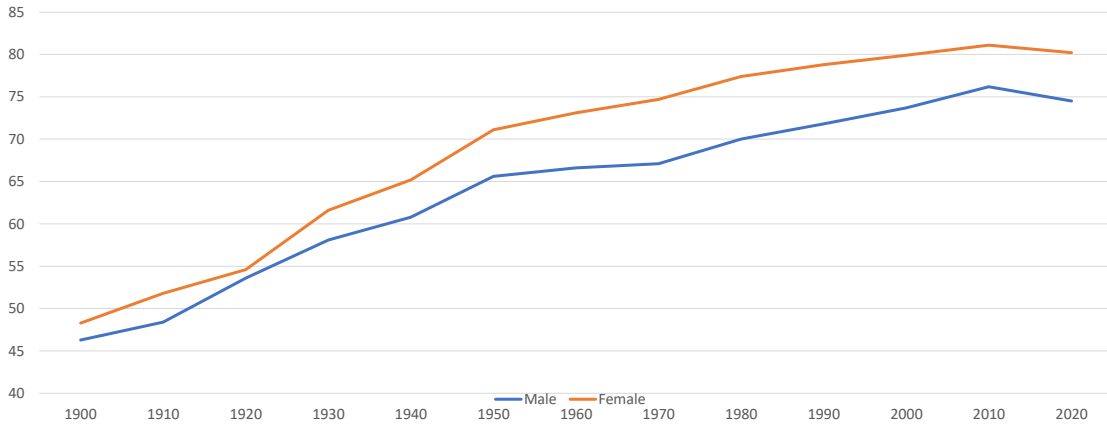
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Outlook

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More Demographic Change

Life Expectancy in the USA

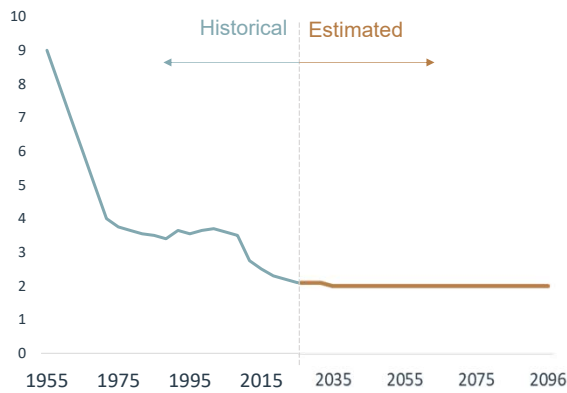


<https://u.demog.berkeley.edu/~andrew/1918/figure2.html>

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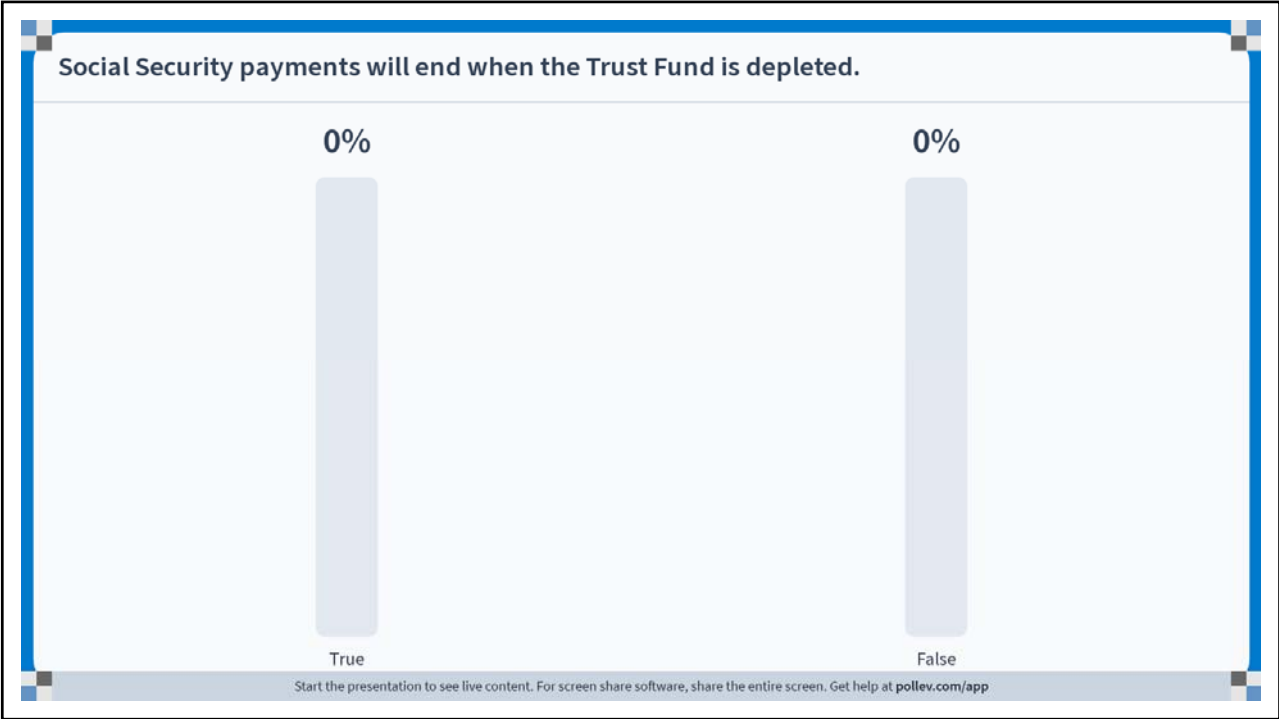
Outlook for Social Security

Workers Per Beneficiary



https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2022/fast_facts22.html

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Eligibility

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Who is eligible?

- Earn “credits”, 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 \(ssa.gov\)](#)



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When are you eligible?

62

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

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When are you eligible?

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65-67

Full Retirement Age - Depends on your birth year. Earnings limits disappear.

Birth Year	Full Retirement Age
1943-54	Age 66
1955-59	Age 66 + Some Months
1960 and later	Age 67

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When are you eligible?

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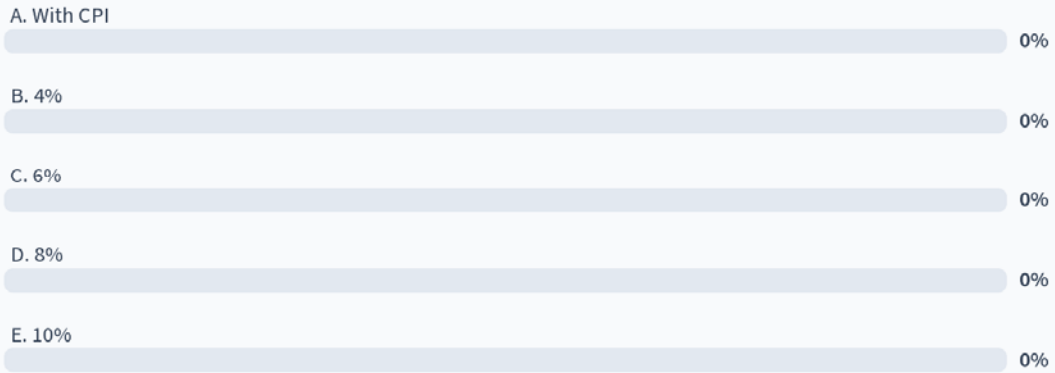
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Benefits increase rapidly if you wait beyond FRA.

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If you choose to delay claiming, by what percentage does your Social Security monthly benefit increase annually?



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Let's Meet Tom and Sheila



Age	Sheila	Age	Tom
62	\$1,450	62	\$636
67*	\$2,200	67*	\$965
70	\$2,771	70	\$1215

* Full Retirement Age is age 67. The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. https://www.ssa.gov/OACT/ProgData/ar_drc.html

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Others eligible from worker

- You qualify for your own benefit OR ½ of spouse's – whichever is higher IF the worker has filed.

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Let's Meet Tom and Sheila



Age	Sheila	Age	Tom
62	\$1,450	62	\$636
67*	\$2,200	67*	\$965
70	\$2,771	70	\$1,215

Or \$1,100

- Sheila will receive an amount based on 100% of her own at FRA.
- Tom could take his own benefit or 50% of Sheila's (up to FRA) if she has filed for benefits.

* Full Retirement Age is age 67. The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. https://www.ssa.gov/OACT/ProgData/ar_drc.html

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Others eligible from worker

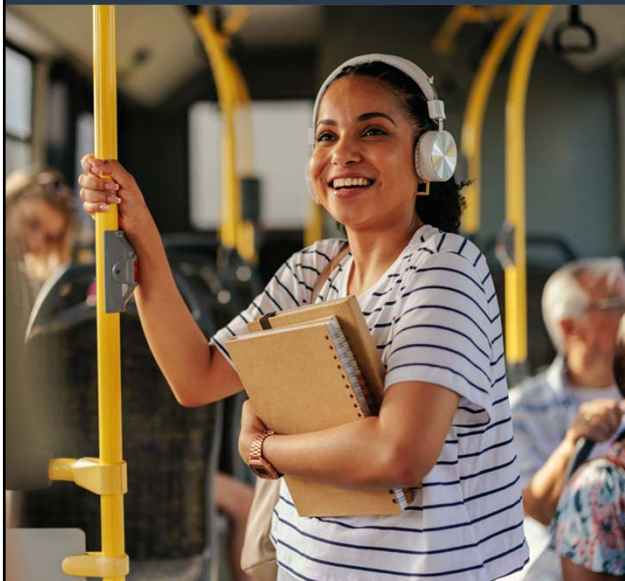
- You qualify for your own benefit OR $\frac{1}{2}$ of spouse's – whichever is higher
- Children qualify if you collect, and they are under age 18 (19 if still in high school)

The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Source: [Update 2021 \(ssa.gov\)](#)



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Children's Benefits



Age	Dependent
16	\$1,100
17	\$1,100
18	\$1,100

Sienna will receive an amount based on 50% of retired parent's benefit. 75% if the parent is deceased.

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Others eligible from worker

- You qualify for your own benefit OR ½ of spouse's – whichever is higher
- Children qualify if you collect, and they are under age 18 (19 if still in high school)
- Divorced spouses, if the marriage lasted at least 10 years (and they aren't remarried)

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Ex-Spouse Benefits



Age	Frank	½ Spousal
62	\$587	\$725
67*	\$890	\$1,100
70	\$1,121	\$1,100

Unlike Tom, Frank can collect benefits even if Sheila hasn't filed yet.

* Full Retirement Age is age 67. The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. https://www.ssa.gov/OACT/ProgData/ar_drc.html

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Two Things to Think About



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Collecting and working

2024 Social Security Earnings Limits	
At full retirement age or older	No limit on earnings
Under full retirement age	\$22,320 (for every \$2 over the limit, \$1 is withheld from benefits)
In the year you reach full retirement age	\$59,520 (For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age)

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Taxes on benefits

Filing Status	Provisional Income = earnings (pensions, pre-tax 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	0
	\$25,000 - \$34,000	50%
	Over \$34,000	85%
Married, Filing Jointly	Under \$32,000	0
	\$32,000 - \$44,000	50%
	Over \$44,000	85%

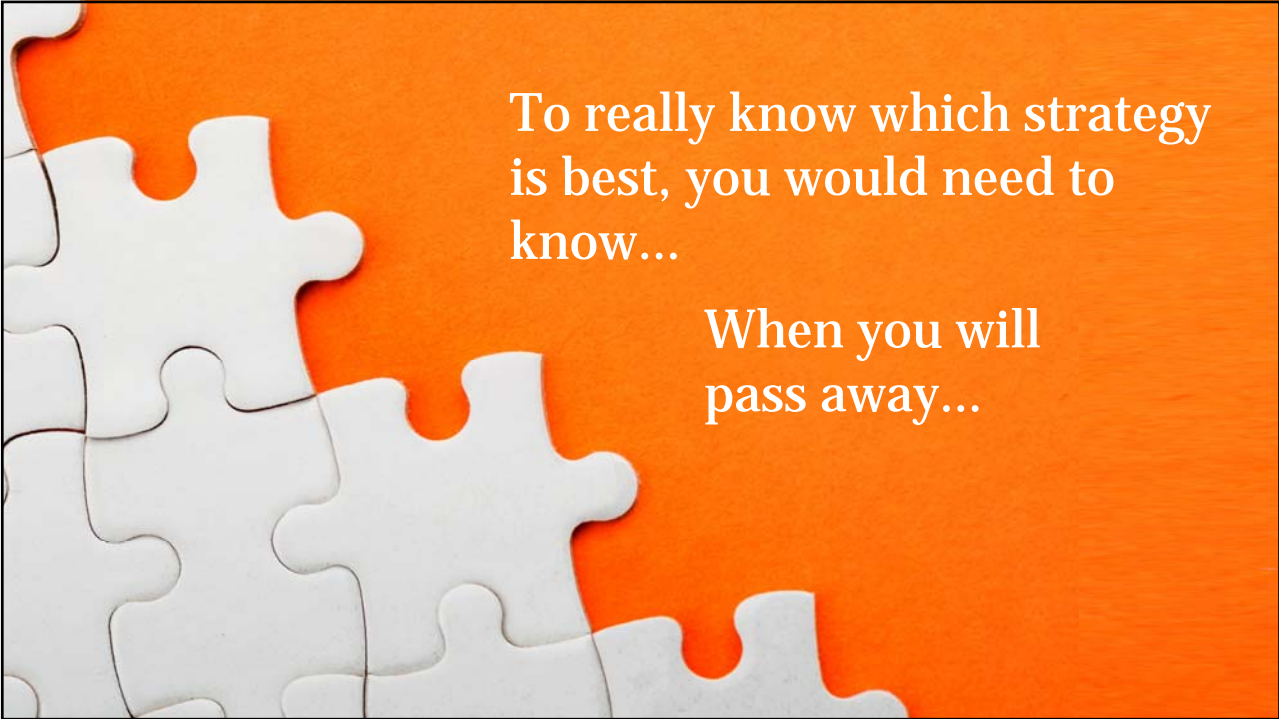
Roth distributions don't count as income!

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

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Strategies

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Never married?

Here's Johnny!

Age	Benefit
62	\$1,318
67*	\$2,000
70	\$2,519

The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. https://www.ssa.gov/OACT/ProgData/ar_drc.html

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Should one spouse delay?



Age	Sheila	Age	Tom
62	\$1,450	62	\$636 \$725
67*	\$2,200	67*	\$965
70	\$2,771	70	\$1215

Tom claims at 62. He receives his benefit of \$636 until Sheila claims.

Sheila claims at 70. Tom's spousal would be spousal benefit of \$1,100 but reduced because he started early.

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What is the survivor benefit for ex-spouses?

- A. one-half of the deceased spouse's benefit 0%
- B. three-quarters of the deceased spouse's benefit 0%
- C. All of the deceased spouse's benefit 0%
- D. The benefit reverts back to theirs. 0%

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Ex-Spouse Survivor Benefits



Age	Frank	½ Spousal
62	\$587	\$725
67*	\$890	\$1,000 \$2,200
70	\$1,121	\$1,100

Upon Sheila's passing, Frank would receive her FRA benefit of \$2,200.

* Full Retirement Age is age 67. The summary contained herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. https://www.ssa.gov/OACT/ProgData/ar_drc.html

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The screenshot shows the Social Security website interface. At the top, the URL is https://www.ssa.gov. The page header includes the Social Security logo, language options (ESPAÑOL), a sign-in button, and a menu icon. The main heading is "Securing your today and tomorrow". Below this, there are two main sections: "Prepare" and "Apply".

- Prepare**
 - Check eligibility for benefits
 - Plan for retirement
- Apply**
 - Apply for benefits
 - Sign up for Medicare

Below the "Apply" section, there is a sub-section titled "After you apply" with the following options:

- Check application or appeal status
- Appeal a decision we made

A "Feedback" button is visible on the right side of the page.

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Q&A



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FRANCIS

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