
Social Security Update: The More Things Change...

FPPTA CEU Virtual Program Presentation

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Czarnowski Consulting: Expert Answers to Your Social Security Questions


www.CzarnowskiConsulting.com



A Foundation for Planning Your Future



The Social Security Statement

 **Prevent identity theft—protect your Social Security number**
Your Social Security Statement www.socialsecurity.gov
Prepared especially for **Wanda Worker**

January 4, 2010
See inside for your personal information →

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

What's inside...

Your Estimated Benefits	2
Your Earnings Record	3
Some Facts About Social Security	4
If You Need More Information	4
To Request This Statement In Spanish	4
<i>(Para Solicitar Una Declaración en Español)</i>	

What Social Security Means To You


This *Social Security Statement* can help you plan for your financial future. It provides estimates of your Social Security benefits under current law and updates your latest reported earnings. Please read this *Statement* carefully. If you see a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. We recommend you keep a copy of your *Statement* with your financial records.

Social Security is for people of all ages...
We're more than a retirement program. Social Security also can provide benefits if you become disabled and help support your family after you die.

Work to build a secure future...
Social Security is the largest source of income for most elderly Americans today, but Social Security was never intended to be your only source of income when you retire. You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire. Saving and investing wisely are important not only for you and your family, but for the entire country. If you want to learn more about how and why to save, you should visit www.mymoney.gov, a federal government website dedicated to teaching all Americans the basics of financial management.

About Social Security's future...
Social Security is a compact between generations. Since 1935, America has kept the promise of security for its workers and their families. Now, however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound when today's younger workers are ready for retirement. In 2016 we will begin paying more in benefits than we collect in taxes. Without changes, by 2037 the Social Security Trust Fund will be exhausted* and there will be enough money to pay only about 76 cents for each dollar of scheduled benefits. We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.

Social Security on the Net...
Visit www.socialsecurity.gov on the Internet to learn more about Social Security. You can read publications, including *When To Start Receiving Retirement Benefits*, use our Retirement Estimator to obtain immediate and personalized estimates of future benefits, and when you're ready to apply for benefits, use our improved online application—it's so easy!

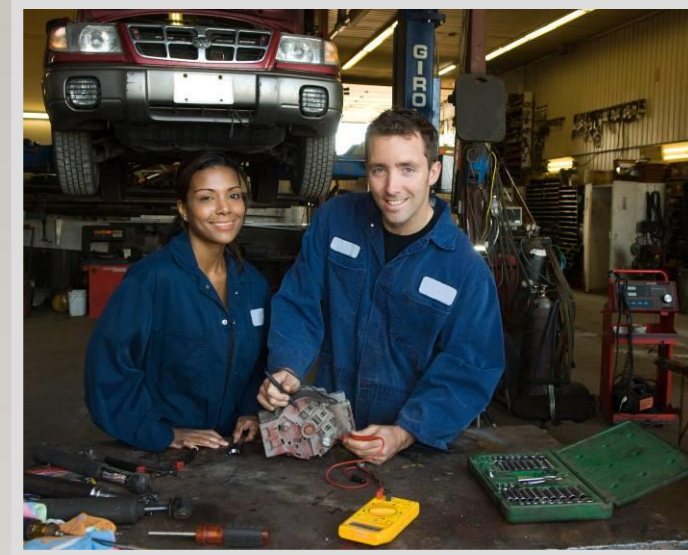

Michael J. Astrue
Commissioner

* These estimates are based on the intermediate assumptions from the Social Security Trustees' Annual Report to the Congress.

➤ While mailings have resumed on a limited basis, you can also request a Statement anytime at:
www.SocialSecurity.gov/myaccount/

How Do You Qualify for Retirement Benefits?

- You need to work to earn Social Security “credits”
- In 2021, you get one credit for each \$1,470 in earnings
- You can earn a maximum of 4 credits per year



Example: To earn 4 credits in 2021, you must earn at least \$5,880. Earning 40 credits (10 years of work) will qualify you for a retirement benefit.

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

Your Age At The Time You Elect Retirement Benefits Affects the Amount

If You're a Worker and Retire:

- **At your FRA, you get your full benefit amount.**
- **Before your Full Retirement Age (FRA), you get a reduced monthly payment. 62 is the earliest age at which you can begin to collect benefits.**
- **Past your FRA, you get an even higher monthly payment. However, you can only earn these Delayed Retirement Credits (DRCs) until age 70.**

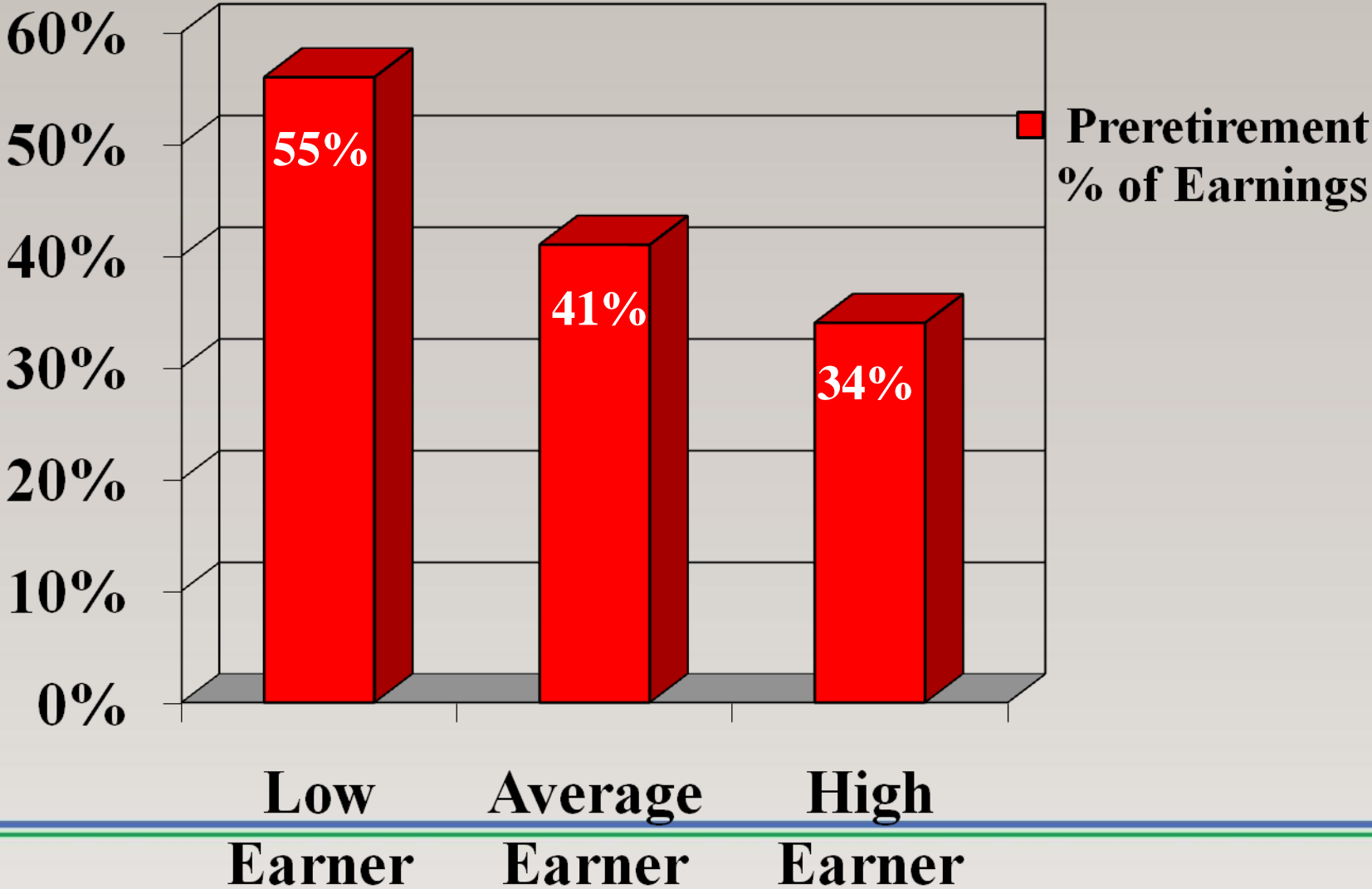
Your Age At The Time You Elect Retirement Benefits Affects the Amount

But, if you were born from 1960 on:

- **Age 62** **70% of benefit**
- **Age 67** **100% of benefit**
- **Age 70** **124% of benefit**



What You Can Expect at Full Retirement Age



You Can Work & Still Receive Benefits

<u>If You Are</u>	<u>In 2021 You Can Make Up To</u>	<u>If You Make More, Some Benefits Will Be Withheld</u>
Under Full Retirement Age	\$18,960/yr. (\$1,580/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$50,520/yr. (\$4,210/mo.)	\$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.

Spouse's Benefit Computation

- **Benefit is 50% of worker's FRA amount. DRCs have no impact.**
- **Does not lower payment to worker.**
- **Benefit amount is reduced if spouse is under FRA.**
- **If spouse's own benefit is less than 50% of the worker's, the benefits are combined.**

Widow or Widower Benefit Computation

- **At full retirement age, 100% of deceased worker's benefit**
- **At age 60, 71.5% of deceased worker's benefit**
- **Can collect Reduced benefits on one record at age 60, and then reduced or unreduced benefits on other record at age 62 or older**

Your Benefits Can Be Taxable

- Applies to those with a **Modified Adjusted Gross Income (MAGI)** above **\$25,000 (individual)** or **\$32,000 (couple filing jointly)**.
- Up to **85%** of benefits received could be treated as ordinary income for federal tax purposes.
- At the end of each year, people receive a *Social Security Benefit Statement* (Form SSA-1099).
- About half of people who get Social Security pay income taxes on their benefits.

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