Social Security: With You Through Life’s Journey...
University of Richmond
July 22, 2020

Securing today and tomorrow
What should I do if I get a call claiming there's a problem with my Social Security number or account?
We’re With You Through Life’s Journey
What is FICA?

• A U.S. federal payroll tax deducted from each paycheck
• Stands for the Federal Insurance Contributions Act
• The total FICA tax is 15.3 percent of your gross wages. You and your employer each pay 7.65 percent for FICA, 6.2% for Social Security and 1.45 percent for Medicare.
• Helps fund both Social Security and Medicare programs, which provide benefits for:
  - Retirees
  - Wounded Warriors
  - The Disabled
  - Children
We Wouldn’t Miss Your Retirement Party
Did You Know?

About 178 million workers will pay Social Security taxes in 2020.

About 94 percent of all workers are covered or eligible under Social Security.
Social Security Beneficiaries

- Social Security: 60.9 million
- SSI: 5.4 million
- Both: 2.7 million

December 2019
Did You Know?

As of December 2019, 45.1 million retired workers were receiving 67.8 billion dollars in Social Security benefits per month.

At the same time, 3.1 million dependents of retired workers were receiving 2.4 billion dollars in monthly Social Security benefits.
How Do You Qualify for Retirement Benefits?

• By earning “credits” when you work and pay Social Security taxes
• You need 40 credits (10 years of work) and you must be 62 or older
• Each $1,410 in earnings gives you one credit
• You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2020, you must earn at least $5,640.
How Social Security Determines Your Benefit

Benefits are based on earnings

• **Step 1** - Your wages are adjusted for changes in wage levels over time

• **Step 2** - Find the monthly average of your 35 highest earnings years

• **Step 3** - Result is “average indexed monthly earnings”
What Is the Best Age to Start Receiving Social Security Retirement Benefits?

Note: This example assumes a benefit of $1,000 at a full retirement age of 66
## Working While Receiving Benefits

<table>
<thead>
<tr>
<th>If you are</th>
<th>You can make up to</th>
<th>If you earn more, some benefits will be withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Full Retirement Age</td>
<td>$18,240/yr.</td>
<td>$1 for every $2</td>
</tr>
<tr>
<td>The Year Full Retirement Age is Reached</td>
<td>$48,600/yr. before month of full retirement age</td>
<td>$1 for every $3</td>
</tr>
<tr>
<td>Month of Full Retirement Age and Above</td>
<td>No Limit</td>
<td>No Limit</td>
</tr>
</tbody>
</table>

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.
Online Calculators

WEP Calculator

Life Expectancy

Retirement Earnings Test

Early or Late Benefits for Spouses

GPO Quick Estimator

Quick Detailed Age
Spousal Benefits

- Benefit is 50% of worker’s unreduced benefit
- Reduction for early retirement
- If spouse’s own benefit is less than 50% of the worker’s, the benefits are combined
- Does not reduce payment to the worker
- Benefit is unreduced if spouse is caring for a child under age 16 or disabled
Benefits for Divorced Spouses

You may receive benefits on your ex-spouse's record (even if he or she has remarried) if:

- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is entitled to Social Security retirement or disability benefits; and
- The benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.

*Note: Marriage must have lasted 10 years or longer*
We’re There If You Lose A Loved One
## Survivor Eligibility Factors

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligibility Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child</td>
<td>May receive benefits if not married and is under age 18 (or under age 19 if still in high school)</td>
</tr>
<tr>
<td>Disabled Child</td>
<td>May receive benefits beyond age 18 if not married and was disabled before age 22</td>
</tr>
<tr>
<td>Widow / Widower Or Divorced Widow/Widower</td>
<td>May get full benefits at full retirement age – or reduced benefits at age 60 – or as early as age 50 if disabled – or at any age if caring for child under 16 or a disabled child</td>
</tr>
</tbody>
</table>
Survivor Benefits

When you pass away, your surviving spouse may:

• At full retirement age, receive 100% of deceased worker's unreduced benefit; or,
• At age 60, receive 71.5% of your full benefit and increases each month you wait up to 100% if you start at full retirement age; or
• Claim survivor benefits at any age between 60 and full retirement age.
Other Survivor Benefits

• Parents’ Benefits – For a parent who is age 62 and was receiving at least one-half of his or her financial support from the son or daughter who died.

• Lump Sum Death Payment – A surviving spouse or child may receive a one-time lump-sum death payment of $255.00 if they meet certain requirements.

socialsecurity.gov/survivors
**Spouse (living) benefits**

- Can start from age 62 to Full Retirement Age (FRA)
- 50% at FRA or less if you start prior to FRA (reduction for each month you take it early)

Divorced spouses qualify if marriage lasted at least 10 years and other conditions are met

**Survivor (death) benefits**

- Can start from age 60 to Full Retirement Age (FRA)
- 71.5% at age 60 and increases each month you wait, up to 100% if you start at FRA, or as early as age 50 if disabled

Divorced spouses qualify if marriage lasted at least 10 years and other conditions are met
You can switch to retirement as early as age 62 if that benefit is higher than your widows benefit.
<table>
<thead>
<tr>
<th>Medicare</th>
<th>Original Medicare</th>
<th>Medicare Advantage (aka Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part A (Hospital Insurance)</td>
<td>Part A (Hospital Insurance)</td>
</tr>
<tr>
<td></td>
<td>Part B (Medical Insurance)</td>
<td>Part B (Medical Insurance)</td>
</tr>
<tr>
<td>You can add:</td>
<td>Part D (Prescription Drug Plan)</td>
<td>Most plans include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Part D (Prescription Drug Plan)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Extra Benefits (e.g. vision, hearing, dental, and more)</td>
</tr>
<tr>
<td>You can also add:</td>
<td>Supplemental insurance coverage (Medigap)</td>
<td>Some plans also include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower out-of-pocket costs</td>
</tr>
</tbody>
</table>

Medicare.gov
Medicare Eligibility

- Age 65
- ALS
- Kidney failure
- Environmental health hazard exposure
- After 24 months of SSDI
Medicare Enrollment

Initial Enrollment Period
Begins 3 months before your 65th birthday and ends 3 months after that birthday

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.
# Medicare Part B Coverage

<table>
<thead>
<tr>
<th>If you enroll in this month of your initial enrollment period:</th>
<th>Then your Part B Medicare coverage starts:</th>
</tr>
</thead>
<tbody>
<tr>
<td>One to three months before you reach age 65</td>
<td>The month you reach age 65</td>
</tr>
<tr>
<td>The month you reach age 65</td>
<td>One month after the month you reach age 65</td>
</tr>
<tr>
<td>One month after you reach age 65</td>
<td>Two months after the month of enrollment</td>
</tr>
<tr>
<td>Two or three months after you reach age 65</td>
<td>Three months after the month of enrollment</td>
</tr>
</tbody>
</table>
Medicare standard Part B premium for 2020
If you’re single and file an individual tax return, or married and file a joint tax return:

<table>
<thead>
<tr>
<th>Modified Adjusted Gross Income (MAGI)</th>
<th>Part B monthly premium amount</th>
<th>Prescription drug coverage monthly premium amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals with a MAGI of $87,000 or less</td>
<td>2020 standard premium $144.60</td>
<td>Your plan premium</td>
</tr>
<tr>
<td>Married couples with a MAGI of $174,000 or less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals with a MAGI above $87,000 up to $109,000</td>
<td>Standard premium + $57.80</td>
<td>Your plan premium + $12.20</td>
</tr>
<tr>
<td>Married couples with a MAGI above $174,000 up to $218,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals with a MAGI above $109,000 up to $136,000</td>
<td>Standard premium + $144.60</td>
<td>Your plan premium + $31.50</td>
</tr>
<tr>
<td>Married couples with a MAGI above $218,000 up to $272,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals with a MAGI above $136,000 up to $163,000</td>
<td>Standard premium + $231.40</td>
<td>Your plan premium + $50.70</td>
</tr>
<tr>
<td>Married couples with a MAGI above $272,000 up to $326,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals with a MAGI above $163,000 up to $500,000</td>
<td>Standard premium + $318.10</td>
<td>Your plan premium + $70.00</td>
</tr>
<tr>
<td>Married couples with a MAGI above $326,000 up to $750,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals with a MAGI equal to or greater than $500,000</td>
<td>Standard premium + $347.00</td>
<td>Your plan premium + $76.40</td>
</tr>
<tr>
<td>Married couples with a MAGI equal to or greater than $750,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Medicare Applications

- If you already have Medicare Part A and wish to add Medicare Part B, complete the online application, fax completed forms CMS-40B and CMS-L564 to 1-833-914-2016, or mail them to your local Social Security office.

https://www.ssa.gov/forms/
Your new card will have a new Medicare Number that's unique to you, instead of your Social Security number. This will help to protect your identity.
Create your personal *my* Social Security account today

With your free, personal *my* Social Security account, you can request personalized estimates of future benefits based on your real earnings, see your latest *Statement*, and review your earnings history. It even makes it easy to request a replacement Social Security Card or check the status of an application, all from the comfort of your home or office!

[CREATE AN ACCOUNT]

SIGN IN

FINISH SETTING UP YOUR ACCOUNT

Social Security

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

Posted June 10, 2017: An Important Message for *my* Social Security Users: Please read this important notice about changes to your account.

HAVE AN ACTIVATION CODE?

Finish Setting Up Your Account

socialsecurity.gov/myaccount
my Social Security Services

If you receive benefits or have Medicare, you can:

• Opt out of mailed notices for those available online;
• Request a replacement Social Security card if you meet certain requirements;
• Report your wages if you work and receive Disability Insurance (SSDI) and/or Supplemental Security Income (SSI) benefits;
• 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.
If you do not receive benefits, you can:

• Compare retirement benefit estimates based on your selected date or age to begin receiving benefits with retirement estimates for ages 62, Full Retirement Age (FRA), and 70 with the new Retirement Calculator;

• 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:
  o Estimates of your future retirement, disability, and survivor benefits;
  o Your earnings once a year to verify the amounts that we posted are correct; and
  o The estimated Social Security and Medicare taxes you’ve paid.
Scam Awareness
Scam Awareness - 3 Tips to Protect Yourself

• Understand the threats.
• Exercise caution.
• Secure your information.

To report fraud, go to: https://oig.ssa.gov
Social Security employees will never threaten you for information; we will not state that you face potential arrest or other legal action if you fail to provide information.

In those cases, the call is fraudulent, and you should just hang up. Don’t give out any information.
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