


Social Security: With You Through Life's Journey…

Securing today and tomorrow



Agenda

- Overview of benefits
- How work affects benefits
- Filing for benefits
- Medicare
- *my* Social Security account

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 $1,360 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2019, you must earn at least $5,440.00

How Social Security Determines Your Benefit?

- Step 1 -Your wages are adjusted for changes in wage levels over time
- Step 2 –Earnings for the highest 35 yrs are averaged, divided by the number of months in 35 yrs “average indexed monthly earnings (AIME)
- Step 3 –The SSA formula is applied to the AIME, to produce the Primary Insurance Amount (PIA), (the benefit payable at FRA)

Relationship Between Benefits and Lifetime Earnings

The higher your average lifetime Social Security earnings, the higher your monthly benefit

Benefit Matrix - Internet Explorer

DOB: 07/18/1952 | RIB/SPOUSE MOE | WIB MOE | Age 70: 07/2022 | * DRCs @ year end

FRA	PIA	Original Rate	Widow FRA	Widow PIA	DRC PIA
66 Years 0 Months 07/2018	$1,000.00	$0.00	66 Years 0 Months 07/2018	$0.00	$1,000.00 8% per yr Max. 48

RF	RIB Month/Year	Retirement MBA	Spouse MBA	Widow Month/Year	Widow MBA	DRC	Delayed Retirement MBA	Effective Month Year
1	06/2018	$994.40	$0.00	06/2018	$0.00	1	$1,006.60	
2	05/2018	$988.80	$0.00	05/2018	$0.00	2	$1,013.30	
3	04/2018	$983.30	$0.00	04/2018	$0.00	3	$1,020.00	
4	03/2018	$977.70	$0.00	03/2018	$0.00	4	$1,026.60	
5	02/2018	$972.20	$0.00	02/2018	$0.00	5	$1,033.30	
6	01/2018	$966.60	$0.00	01/2018	$0.00	6*	$1,040.00	01/2019
7	12/2017	$961.10	$0.00	12/2017	$0.00	7	$1,046.60	
8	11/2017	$955.50	$0.00	11/2017	$0.00	8	$1,053.30	
9	10/2017	$950.00	$0.00	10/2017	$0.00	9	$1,060.00	
10	09/2017	$944.40	$0.00	09/2017	$0.00	10	$1,066.60	
11	08/2017	$938.80	$0.00	08/2017	$0.00	11	$1,073.30	
12	07/2017	$933.30	$0.00	07/2017	$0.00	12	$1,080.00	
13	06/2017	$927.70	$0.00	06/2017	$0.00	13	$1,086.60	
14	05/2017	$922.20	$0.00	05/2017	$0.00	14	$1,093.30	
15	04/2017	$916.60	$0.00	04/2017	$0.00	15	$1,100.00	
16	03/2017	$911.10	$0.00	03/2017	$0.00	16	$1,106.60	
17	02/2017	$905.50	$0.00	02/2017	$0.00	17	$1,113.30	
18	01/2017	$900.00	$0.00	01/2017	$0.00	18*	$1,120.00	01/2020
19	12/2016	$894.40	$0.00	12/2016	$0.00	19	$1,126.60	
20	11/2016	$888.80	$0.00	11/2016	$0.00	20	$1,133.30	
21	10/2016	$883.30	$0.00	10/2016	$0.00	21	$1,140.00	
22	09/2016	$877.70	$0.00	09/2016	$0.00	22	$1,146.60	
23	08/2016	$872.20	$0.00	08/2016	$0.00	23	$1,153.30	
24	07/2016	$866.60	$0.00	07/2016	$0.00	24	$1,160.00	
25	06/2016	$861.10	$0.00	06/2016	$0.00	25	$1,166.60	
26	05/2016	$855.50	$0.00	05/2016	$0.00	26	$1,173.30	
27	04/2016	$850.00	$0.00	04/2016	$0.00	27	$1,180.00	
28	03/2016	$844.40	$0.00	03/2016	$0.00	28	$1,186.60	
29	02/2016	$838.80	$0.00	02/2016	$0.00	29	$1,193.30	
30	01/2016	$833.30	$0.00	01/2016	$0.00	30*	$1,200.00	01/2021
31	12/2015	$827.70	$0.00	12/2015	$0.00	31	$1,206.60	
32	11/2015	$822.20	$0.00	11/2015	$0.00	32	$1,213.30	
33	10/2015	$816.60	$0.00	10/2015	$0.00	33	$1,220.00	
34	09/2015	$811.10	$0.00	09/2015	$0.00	34	$1,226.60	
35	08/2015	$805.50	$0.00	08/2015	$0.00	35	$1,233.30	
36	07/2015	$800.00	$0.00	07/2015	$0.00	36	$1,240.00	
37	06/2015	$795.80	$0.00	06/2015	$0.00	37	$1,246.60	
38	05/2015	$791.60	$0.00	05/2015	$0.00	38	$1,253.30	
39	04/2015	$787.50	$0.00	04/2015	$0.00	39	$1,260.00	
40	03/2015	$783.30	$0.00	03/2015	$0.00	40	$1,266.60	
41	02/2015	$779.10	$0.00	02/2015	$0.00	41	$1,273.30	
42	01/2015	$775.00	$0.00	01/2015	$0.00	42*	$1,280.00	01/2022
43	12/2014	$770.80	$0.00	12/2014	$0.00	43	$1,286.60	
44	11/2014	$766.60	$0.00	11/2014	$0.00	44	$1,293.30	
45	10/2014	$762.50	$0.00	10/2014	$0.00	45	$1,300.00	
46	09/2014	$758.30	$0.00	09/2014	$0.00	46	$1,306.60	
47	08/2014	$754.10	$0.00	08/2014	$0.00	47	$1,313.30	
48				07/2014	$0.00	48	$1,320.00	07/2022
49				06/2014	$0.00			
50				05/2014	$0.00			

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%

Retirement Estimator

- Gives estimates based on your actual Social Security earnings record
- 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.

socialsecurity.gov/estimator

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	$17,640/yr.	$1 for every $2
The Year Full Retirement Age is Reached	$46,920/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.

What Income Counts Towards the Earnings Test Limits

Income that Counts as Earnings

- Gross wages from employment and/or net earnings from self employment

Income that Does NOT Count as Earnings

- Inheritance payments
- Pensions
- Income from investments
- Interest and dividends
- Capital gains
- Other sources

Are under full retirement age all year. You are entitled to $1000. a month in benefits. ($12,000 for the year)

- You work and earn $27,640 ($10,000 over the $17,640 limit) during the year. Your Social Security benefits would be reduced by $5,000 ($1 for every $2 you earned over the limit), but you would still receive $7,000 of your $12,000 in benefits for the year. ($12,000 - $5,000 = $7,000)

Reach full retirement age in August 2019. You are entitled to $2000. a month. You work and earn $84,000 during the year, with $49,000. of it in the 7 months from January through July. ($2,080 over the $46,920 limit).

◦ Your Social Security benefits would be reduced through July by $693. ($2.080. /3) ($1 for every $3 earned over the limit). You will still receive $13,307 out of the $14,000 benefits for the 1st 7 months ($14,000 - $693 =$13,307)

*************Note: earnings are only counted the month before FRA.

◦Beginning in August 2019, when you reach full retirement age, you would receive ($2000. per month), no matter how much you earn.

Benefits for Dependent Spouses

Social Security pays spouse/surviving spouse benefits to those who are financially dependent on the worker because they have no Social Security benefit or a small benefit from their own work.

OPERS, STRS, SERS, Ohio Police & Fire, CSRS = Social Security substitute.

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
- Dependent’s benefits do not affect the wage earner’s benefits. (Family Maximum)

Spouse Gets Less than Half of Worker's Benefit Before FRA

- If spouse collects benefits before full retirement age, amount is reduced
- If full retirement age = 66, spouse benefit at
  - Age 65 46%
  - Age 64 42%
  - Age 63 37.5%
  - Age 62 35%

Exception: Spouse benefit = 50% of worker's full benefit, regardless of age, if spouse is taking care of retired worker's child younger than 16 or disabled and receiving benefits.

Benefits for Divorced Spouses

If you are divorced, and your marriage lasted 10 years or longer, you can 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.

Typical Spouse Benefit Computation

- Fred and Alice both paid FICA. Fred receives $1600 Social Security benefit at Full Retirement Age
- Alice receives $1000 Social Security benefit at Full Retirement Age
- Spouse 50% rate = $800
- Alice cannot get spouse benefits because her own Social Security benefit is greater
- Law recognizes Alice is not dependent on Fred

We’re There If You Lose Your Soulmate

Survivor Benefits

Widow(er)

- Reduced benefits as early as age 60
- As early as age 50 if disabled
- At any age if caring for child of worker younger than age 16 or disabled before age 22
- Divorced widow(er) may qualify if married at least 10 years

Child

- Unmarried child younger than age 18 or 19 if still in high school
- Any age if disabled before age 22

$255 Lump Sum Death Benefit

- Surviving spouse or minor/disabled children only

Survivor Benefits Reduced if Taken Early

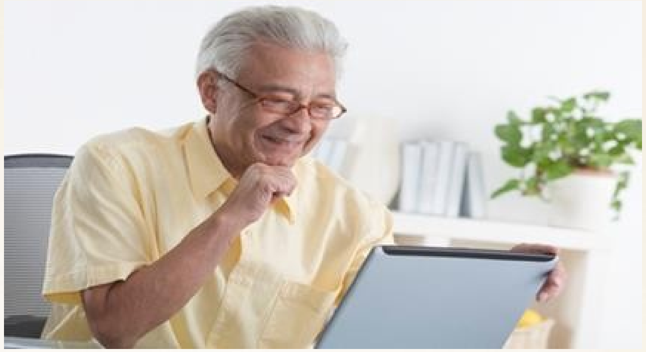
- Surviving spouse may receive
  - 82.5 – 100% of worker's benefit at age 62-67
  - 71.5 – 82.5% at age 60-62
  - 71.5% at age 50-60
- If widow(er) waits until FRA to draw survivor benefits, s/he will generally collect 100% of what worker was drawing at his/her death or what he would have drawn at FRA if he was not on benefits.
- If worker collects reduced retirement benefits and dies, surviving spouse would not be eligible for full benefit.

With survivor benefits, widow(er) may switch from one benefit to another, depending on what is most financial advantageous.

Consult with Social Security.

Filing for Benefits

- Internet



- Telephone

- Office

Social Security Office Hours

- Social Security field offices are open to public:
  - Monday, Tuesday 9 am - 4 pm
  - Wednesday 9 am - noon
  - Thursday, Friday 9 am - 4 pm

  (except federal holidays)
- Social Security's teleservice center is open 7-7 Monday-Friday (except federal holidays) at 1-800-772-1213
  - Automated services available 24/7

Who Can Get Medicare?

- 65 & older
- 24 months after entitlement to Social Security disability benefits*
  - Exception: No waiting period for beneficiaries with Amyotrophic Lateral Sclerosis (ALS, Lou Gehrig's Disease)
- End-Stage Renal Disease

Note: Medicare Qualified Government Employment (MQGE) = Disabled employees who pay Medicare tax only may qualify for Medicare after 2 years even if not insured for monthly Social Security disability benefits.

Medicare.gov

4 Parts to Medicare

- **Part A = Hospital Insurance (HI)**
  - ***Enroll with Social Security***
- **Part B = Supplemental Medical Insurance (SMI)**
  - ***Enroll with Social Security***
- **Part C = Medicare Advantage Plans**
  - ***Cannot enroll with Social Security***
- **Part D = Prescription Drug Plans**
  - ***Cannot enroll with Social Security***

Visit Medicare.gov for details

Social Security is the Gateway into Medicare A/B

Part A - Hospital Insurance

- **Covers most inpatient hospital expenses**
- **No monthly premium for almost all Americans**
- **Mandatory once you are on benefits and age 65+**

Part B - Medical Insurance

- **2018 standard monthly premium $134***
- **Premium is deducted from benefits**
- **Not on benefits? Premium is normally billed quarterly from CMS, or sign up for bank account debit through Medicare Easy Pay at www.medicare.gov**

Higher income beneficiaries may pay more

Other Parts of Medicare

Purchased through private companies

- Part C – HMO/Medicare Advantage Plans or
- Medicare Supplements – aka Medigap
- Part D – Drug Plans

** ***Social Security offers assistance with paying for Part D with “Extra Help”*** **

Enrolling in Medicare

- Enrollment in Part A and Part B is automatic if receiving Social Security benefits at 65
  - May refuse Part B if covered under your (or spouse's) active employer group health plan
- Not on Social Security benefits at 65?
  - Apply for Medicare A/B during 7-month Initial Enrollment Period (IEP)
  - Exception: If you are covered under your (or spouse's) ***active*** employer group health plan, you may delay A and B past 65 without penalty if you enroll during Special Enrollment Period (SEP) = month you or spouse stop work + following 8 months
- Possible 10% penalty per year for every year of delayed enrollment

How to Take Advantage of SEP

- If you already have Medicare Part A, do not use online Medicare application to apply for Part B.
- Call 1-800-772-1213 or download Special Enrollment forms.
  - Give CMS-L564 to employer to complete.
  - Complete CMS 40B showing month you want Part B to begin.
- Make copies and return completed forms to local Social Security office.
- Do not wait until employment ends – enroll up to 3 months in advance to ensure no gap in coverage.

Download PDF forms at www.ssa.gov/forms

SPECIAL ENROLLMENT PERIOD CHART

XO	O	O	O								
	XO	O	O	O							
		X	O	O	O						
EP	EP	EP	NEP	NEP+1	NEP+2	NEP+3	NEP+4	NEP+5	NEP+6	NEP+7	NEP+8
			XO	O	O	O					
				X	C						
					X	C					
						X	C				
							X	C			
								X	C		
									X	C	
										X	C

X =	Month of Enrollment
C =	Month of Mandatory Coverage
O =	Month of Optional Coverage
EP =	Month of GHP/LGHP Coverage and Working
NEP =	Initial Month of Non-Work or no GHP/LGHP Coverage

Income Related Monthly Adjustment Amount

- **Higher-income beneficiaries (85K+ single, 170K+ couple) may pay higher premiums for Part B and for Part D**
- **Based on most recent tax return (ie-2018 on 2016 1040) MAGI = Modified Adjusted Gross Income = gross income + Line 8b Tax Exempted Interest**
- **Re-calculated annually**
- **You may request a new decision if your income dropped AND a "life changing event" – retirement, divorce, death of spouse, marriage. See form SSA-44 www.ssa.gov/online/ssa-44.pdf for evidence needed.**

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Medicare and Health Savings Accounts (HSAs)

- IRS rules say individual cannot contribute to HSA once entitled to Medicare
- If entitled to monthly Social Security benefits, you cannot waive Part A
  - Only way to drop Part A is to withdraw monthly benefit application
- Even if entitled to Medicare, you may withdraw funds from HSA to pay authorized expenses

IRS Publication 969 at www.irs/gov/uac/about-publication-969

Federal Employees or Annuitants May Want to Consider Medicare B

- A federal retiree does not have to enroll in Part B. FEHB plan cannot require you to take it.
- For more information about how Medicare coordinates with FEHB, see the following link:

www.opm.gov/healthcare-insurance/healthcare/medicare

- If you want to enroll in Medicare after IEP or SEP, you must wait until General Enrollment Period = January-March every year. Coverage will not start until July 1. Possible 10% penalty per year for every year of delayed enrollment.

Social Security Number Removal Initiative

- **As a result of 2015 legislation, SSN is finally being removed from Medicare cards to fight identity theft**
- **Beginning April 2018, CMS will:**
  - **Assign each new Medicare enrollee a new 11-character Medicare Beneficiary Identifier (MBI) made up of only numbers and uppercase letters**
  - **Send a new Medicare card to each new beneficiary**
- **By April 2019, all people with Medicare will receive Medicare cards with new numbers**

For More Medicare Information

1-800-MEDICARE

(1-800-633-4227)

TTY 1-877-486-2048

www.medicare.gov

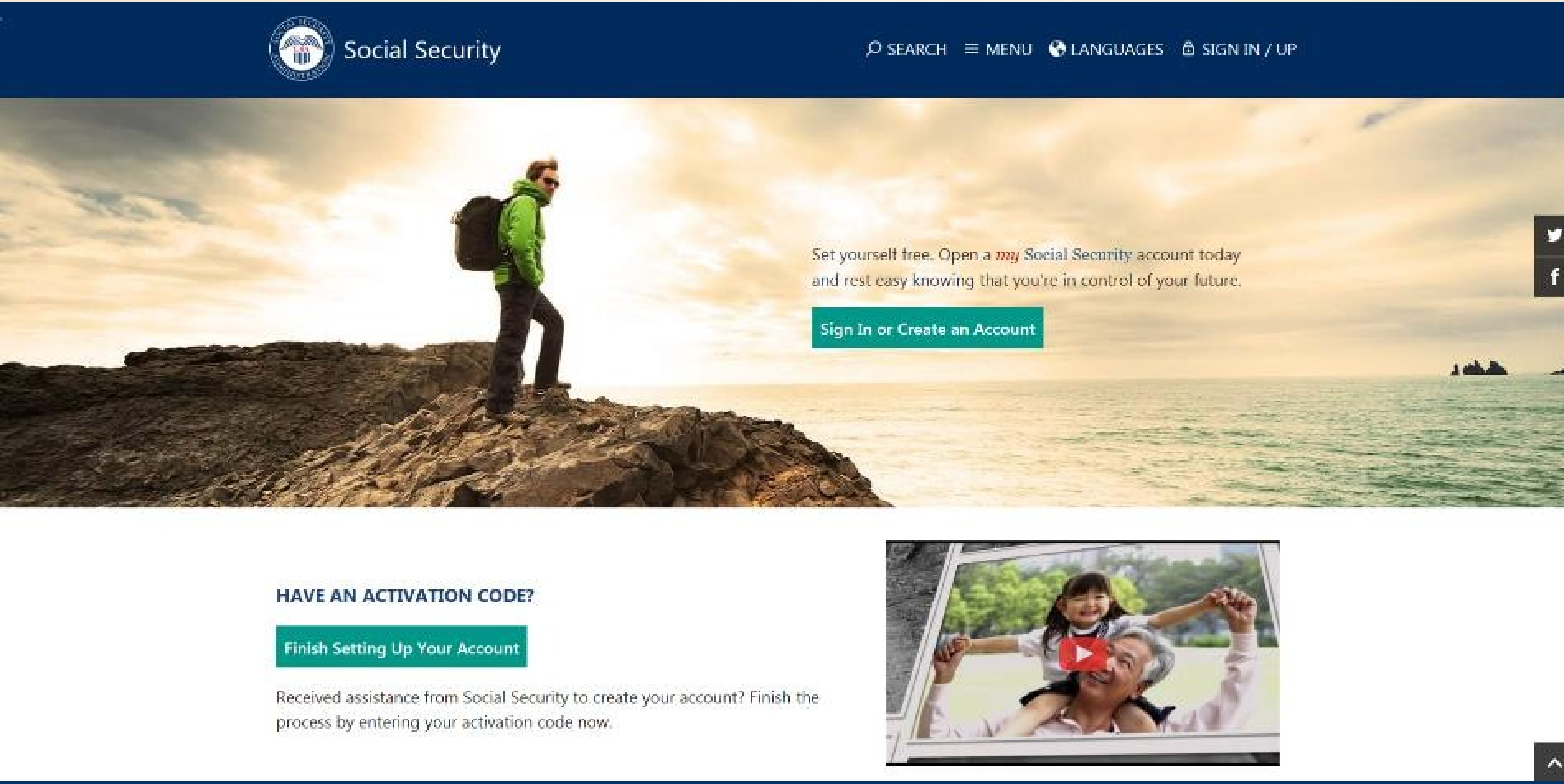
OSHIIP

Ohio Senior Health Insurance Information Program

1-800-686-1578

www.ohioinsurance.gov

my Social Security



socialsecurity.gov/myaccount

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.

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.

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.

Social Security in the Future

- The two Social Security trust funds – Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) will be able to pay all benefits in full and on time until 2034.
- The trust funds have reached the brink of depletion of asset reserves in the past, but Congress made substantial modifications to avoid this.
- Even if legislative changes are not made before 2034, the trust funds will still be able to pay 79 percent of each benefit due.

Q&A session




SOCIAL SECURITY ADMINISTRATION

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