

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

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See inside for your personal information →

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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.rrmoney.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 Reserving 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.

- The *Statement* provides you with benefit estimates and allows you to check your earnings history for accuracy.
- While mailings have resumed on a limited basis, you can also request a Statement anytime at:
www.SocialSecurity.gov/myaccount/

Use the Retirement Estimator

- Convenient, secure, and quick financial planning tool
- Immediate and accurate benefit estimates
- Lets you create “What if” scenarios based on different ages and earnings

The screenshot shows the Social Security Online website's "Benefit Calculators" section. The page title is "About the Retirement Estimator". It includes a navigation bar with "Home", "Questions?", "Contact Us", and a search box. The main content is organized into several sections:

- How the Retirement Estimator Works:** Explains that estimates are based on actual Social Security earnings records and may vary from actual future benefits. It lists three reasons: 1) Earnings records are constantly updated; 2) Calculators use different parameters and assumptions (e.g., stop work ages, earnings projections); 3) Actual future benefits are adjusted for inflation.
- Who Can Use the Retirement Estimator:** States that users can use the estimator if they have enough Social Security credits, are not currently receiving benefits on their own record, are not Medicare beneficiaries, are 62 or older and receiving benefits on another record, or are eligible for a Pension Based on Work Not Covered By Social Security.
- How Long Can You Stay On Each Page?:** Warns of a 25-minute time limit per page and a 30-minute session limit. A "Continue" button is visible at the bottom right of this section.

Additional features include a "Caution" box about blocking access to personal information, a red "Estimate Your Retirement Benefits" button, and a "What is the best age to start receiving retirement benefits?" box. The footer contains the USA.gov logo, privacy policies, and a "Need Larger Text?" link.

www.socialsecurity.gov/estimator

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

**For example, if you were born from 1943
through 1954:**

- Age 62 75% of benefit**
- Age 66 100% of benefit**
- Age 70 132% of benefit**



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



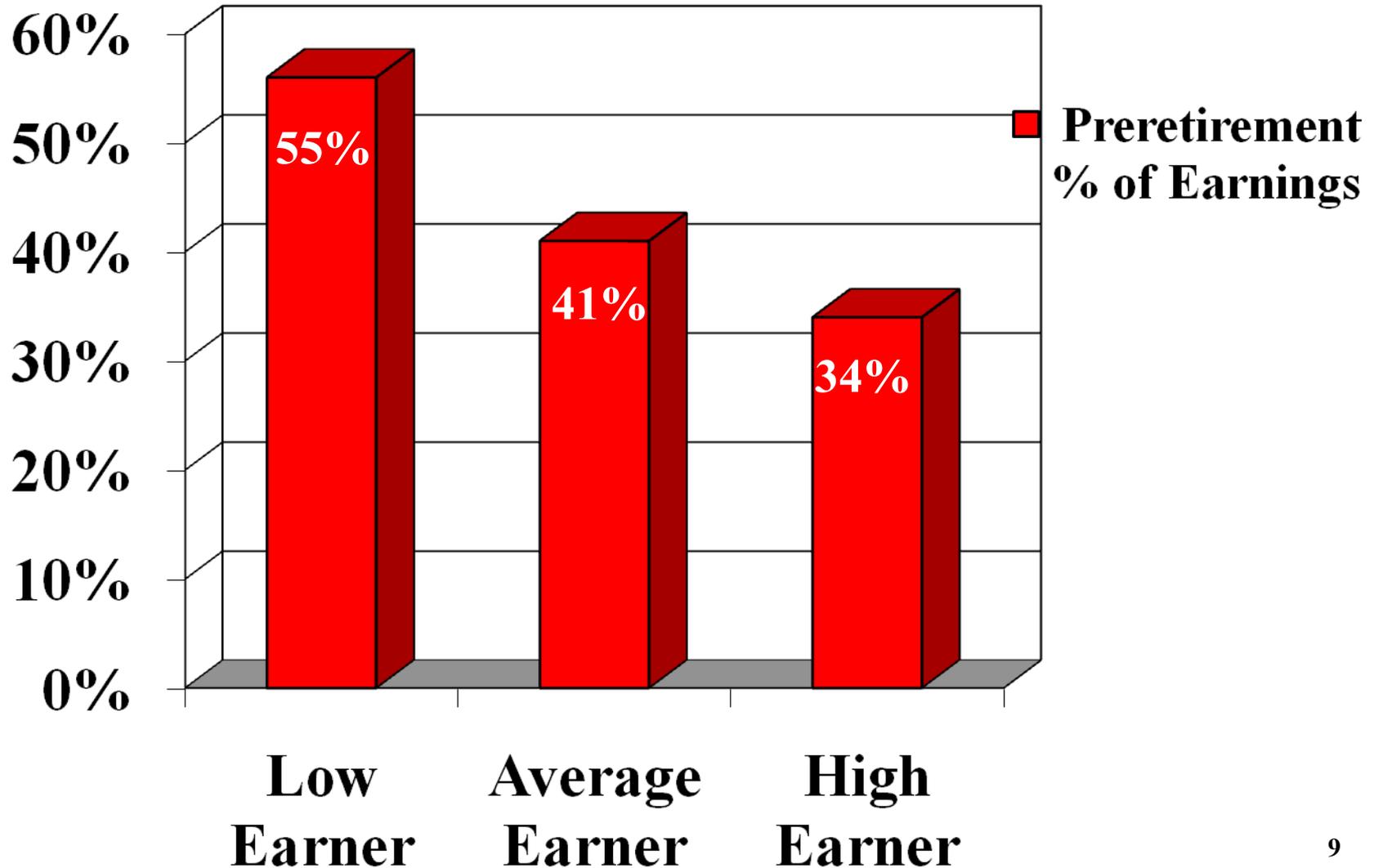
How Social Security Determines Your Benefit

Social Security 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 You Can Expect at Full Retirement Age



You Can Work & Still Receive Benefits

<u>If You Are</u>	<u>You Can Make Up To</u>	<u>If You Make More, Some Benefits Will Be Withheld</u>
Under Full Retirement Age	\$17,640/yr. (\$1,470/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$46,920/yr. (\$3,910/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 to take into account those months in which benefits were withheld.

Spouse's Benefit Computation

- **Benefit is 50% of worker's FRA amount.**
- **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 amounts 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, then reduced or unreduced benefit on other record at age 62 or older**

In Addition to the Retiree, Who Else Can Get Benefits?

Your Ex-Spouse

- **Marriage lasted at least 10 years**
- **Ex-spouse is 62 or older and unmarried**
(you can be married)
- **If you have been divorced at least two years, and you and your ex-spouse are at least 62, he or she can get benefits even if you are not yet retired**
- **Ex-spouse's benefit amount has no effect on the amount you or your current spouse can get**

Social Security “Strategies”

Claim Some Now; Claim More Later—OLD LAW

- **One member of the couple must have applied for his/her own retirement benefits;**
- **Spouse “restricted the scope of the application” and filed ONLY for a spouse’s benefit;**
 - ❖ **Spouse began to collect up to 50% of other worker’s FRA amount, while earning DRCs on own**
- **Spouse must have been at or over Full Retirement Age (FRA);**
 - ❖ **Prior to FRA, spouse could not restrict scope of application and was “deemed” to be applying for own benefit first**

Social Security “Strategies”

Claim Some Now; Claim More Later—NEW LAW

- Anyone born January 1, 1954 or earlier, i.e. is age 62 or older by the end of 2015, will operate under old rules and will still be able to file a “restricted application” at or after FRA;
- Anyone born after that date will be subject to “deemed filing” rule, even at FRA;
- Extension of “deemed filing” rule does not apply to survivor benefits;
 - ❖ Widow(er) will still be able “pick and choose.”

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.
- About half of people who get Social Security pay income taxes on their benefits.
- At the end of each year, people receive a *Social Security Benefit Statement* (Form SSA-1099).

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