

Social Security

At-a-glance

Retirement benefits

- Annual Social Security statements are available electronically (www.ssa.gov), or they are also now being mailed to workers beginning at age 25, 30, 35, 40, 45, 50, 55, 60 and older
- Based on highest 35 years of Indexed Earnings working a few extra years can increase benefits
- Need 40 credits (10 years) to qualify for benefits, earn a maximum of 4 credits per year
- Workers taxed on earnings at 6.20%—earnings above \$128,700 (2018) are not subject to Social Security tax
- The 2018 maximum Social Security benefit at full retirement age:
 - Monthly: \$2,788
 - Annual: \$33,456

Full retirement ages & early retirement reductions

Year of Birth	Full Retirement Age (FRA)	Age 62 to FRA (in months)	Total % Reduction	Age in 2018
1943-1954	66	48	25.00%	64-75
1955	66 and 2 months	50	25.84%	63
1956	66 and 4 months	52	26.66%	62
1957	66 and 6 months	54	27.50%	61
1958	66 and 8 months	56	28.33%	60
1959	66 and 10 months	58	29.17%	59
1960+	67	60	30.00%	58 or less

Did you know?

Receive 8% credit for each year past full retirement age that claim benefits are delayed.

Spousal, survivor & ex-spouse (divorce) benefits

Spouse

Eligible to receive the higher of either

- Benefits he/she may have earned on his/her own record or
- Half (50%) of spouse's primary insurance amount (up to FRA)

Spouse cannot collect on your record until you file for benefits and spouse must be at least age 62

Survivor

A surviving spouse will generally receive 100% of the deceased's benefit or benefits on their own record at FRA but will not receive both

- Reduced benefits can begin as early as age 60
- Survivor benefits that start at age 60 are reduced by 28.50%

Ex-spouse (divorce)

If married for at least 10 years and divorced for at least 2 years, ex-spouse can get Social Security benefits based on other ex-spouse's record

- The receiving ex-spouse must be 62 or older and cannot re-marry or benefits are forfeited
- The benefits received by the ex-spouse have no effect on either the primary earner or their current spouse
- Divorced spouse can receive benefits even if other ex-spouse has not filed (however ex-spouse must be at least age 62)

Benefit reduction for earned income

Benefit reduction for earned income in early retirement			
	Age 62 to normal retirement age	Year of reaching full retirement age – months prior to attaining normal retirement age	Month attaining full retirement age and greater
Earned income	\$17,040	\$45,360	No limit
Reduction in benefit	\$1.00 for every \$2.00 earned	\$1.00 for every \$3.00 earned	Not applicable

Taxation of benefits

Amount of benefit subject to federal income tax		
	50% Of benefit subject to federal income tax at your marginal tax rate	85% Of benefit subject to federal income tax at your marginal tax rate
Filing individually	Combined income of \$25,000 to \$34,000	Combined income more than \$34,000
Filing jointly	Combined income of \$32,000 to \$44,000	Combined income more than \$44,000

Summary of changes for married couples

	Age 62 by January 1, 2016	Under Age 62 by January 1, 2016
Strategy	Birthdates May 1, 1950 through January 1, 1954	Birthdates January 2, 1954 and later
File and suspend	No longer allowed	No longer allowed
Filing restricted application	Still available at FRA or older, if eligible for spousal benefits	No longer allowed

Help is available

All individuals and couples can benefit from a conversation with your financial advisor. Contact him or her today to discuss what Social Security benefits strategies are right for you.

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