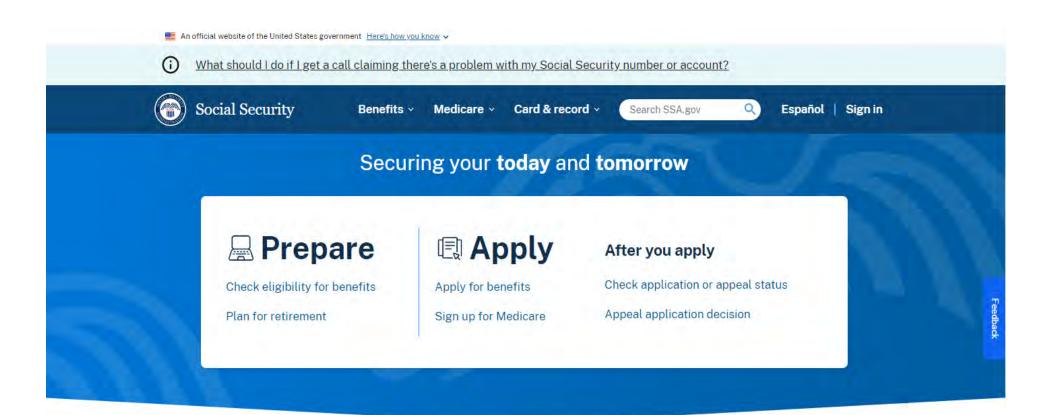


## 2023 RETIREMENT PRESENTATION FOR OCERS

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Social Security With You Through Life's Journey...





#### Manage benefits & information





## my Social Security



#### Create your personal my Social Security account today

With your free, personal my Social Security account, you can receive 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 →



#### socialsecurity.gov/myaccount



SocialSecurity.gov

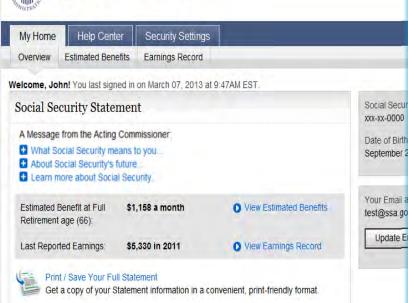


#### **Your Social Security Statement**

WANDA WORKER

October 2, 2021

## John R. Doe Sign Out my Social Security



#### **Retirement Benefits**

You have earned enough credits to reterment benefits. To qualify for ber "credits" through your work — up to Your full retirement age is 67, based birth: April 10, 1960. As shown in the start your benefits at any time between 70. For each month you wait to sit your monthly benefit will be higher of your file.

These personalized estimates are be earnings to date and assume you co \$51,995 per year until you start your To learn more about retirement bene sea.gov/benefits/intirement/seam.htm

#### **Disability Benefits**

You have earned enough credits to q benefits. If you became disabled right monthly payment would be about \$1,0

#### **Survivors Benefits**

You have earned enough credits to family members to receive survivor you die this year, members of your qualify for monthly benefits include Minor child:

Spouse, if caring for a disabled chili child younger than age 16: Spouse, if benefits start at full retirement age: Total family benefits cannot be mon

Your spouse or minor child may be additional one-time death benefit of

We base benefit estimates on curr address needed changes. Learn n

#### Earnings Record

Review your earnings history below to ensure it is accurate. This is important because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings, but you can view them online with my Social Security. If you find an error view your full earnings record online and call 1-800-772-1213.

Work Year	Earnings Taxed for Social Security	for Medicare (began 1966)
1971-1980	\$ 20,000	\$ 20,000
1981-1990	41,250	41,250
1991-2000	257,712	257,712
2001	34,915	34,915
2002	35,591	35,591
2003	36,717	36,717
2004	38,686	38,686
2005	40,325	40,325
2006	42,315	42,315
2007	44,346	44,346
2008	45,437	45,437
2009	44,784	44,784
2010	45,847	45,847
2011	47,146	47,146
2012	48,349	48,349
2013	48,606	48,606
2014	49,860	49,860
2015	50,850	50,850
2016	50,158	50,158
2017	50,440	50,440
2018	50,653	50,653
2019	50,957	50,957
2020	51,995	51,995
2021	Not yet n	

#### Taxes Paid

Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record:

Social Security taxes You paid: \$34,288 Employer(s): \$36,003 Medicare taxes You paid: \$19,396 Employer(s): \$19,396

#### Earnings Not Covered by Social Security You may also have earnings from work not covered by Social Security. This work may have

covered by Social Security. This work may have been for federal, state, or local government or in a foreign country.

If you participate in a retirement plan or receive.

If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. To find out more, visit ssa.gov/ppo-wep.

#### Important Things to Know about Your Social Security Benefits

- Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
- You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 35 years of earnings. If you have fewer than 35 years of earnings, years without work count as 0 and may reduce your benefit amount.
- We use cost of living adjustments so your benefits will keep up with inflation.
- The age you claim benefits will affect the benefit amount for your surviving spouse.
- If you get refirement or disability benefits, your spouse and children also may qualify for benefits.
- If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse's record. If your divorced spouse receives benefits on your record, that does not affect your or your current spouse's benefit amounts.
- When you apply for either retirement or spousal benefits, you may be required to apply for the other benefit as well.
- For more information about benefits for you and your family, visit ssa gov/benefits/ retirement planner/applying? html.
- When you are ready to apply, visit us at ssa gov benefits retirement apply html.
- The Statement is updated annually. It is available upon request, either online or by mail

SSA.gov Follow us on social media ssa.gov/socialmedia

Form SSA-7005-SM-OL (05/21)





#### 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 \$1,640 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2023, you must earn at least \$6,560.00.



# How Much Will I Receive in Retirement Benefits?





#### **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"



#### 2023 RETIREMENT BENEFIT FORMULA

If your average monthly earnings are = \$1,750

Then your monthly benefit would be = \$1,206





32% of Earnings over \$1,115 through \$6,721 .... \$635 = \$203 (\$1,750 - \$1,115 = \$635)



15% of Earnings over \$6,721..... \$0 = \$0

\$1,750 = \$1,206



<sup>\*</sup>Payments rounded to whole dollar amounts

# RETIREMENT BENEFIT FILING STRATEGIES & OPTIONS





# 62

# EARLIEST AGE TO RETIRE WITH PERMANENT REDUCTION OF BENEFITS



Year of Birth	Full Retirement Age	Benefit taken at age 62 would be reduced by
1943-1954	66	25%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.5%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960 +	67	30%





#### YOU CAN WORK & STILL RECEIVE BENEFITS

Under FRA (2023)	Year of FRA (2023)
\$21,240 annual limit	\$56,520 annual limit

Penalty results in reduction of monthly benefits, depending on amount of excess income.

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 Annual Earnings 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





## FULL RETIREMENT AGE

100% OF BENEFIT

AND NO INCOME LIMIT





# 70

# MAX DELAYED RETIRED CREDIT + 8% OF BENEFIT PER EVERY YEAR AFTER FULL RETIREMENT AGE



# WHEN IS A GOOD TIME TO START SOCIAL SECURITY?

#### Early Reduced Retirement

- o Age 62
- 1/2 % per month prior to Full Retirement Age
- Earned Earnings Limit \$21,240 (2023)

#### Full Retirement Age (FRA)

- See chart for FRA
- 100% of Primary Insured Amount at FRA
- No Earnings Limit

#### Delayed Retirement Credit

o 8% per year (@ 2/3 % per month)



# WINDFALL ELIMINATION PROVISION (WEP)





### WINDFALL ELIMINATION PROVISION (WEP)

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.

#### WEP can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985.

#### socialsecurity.gov/planners/retire/wep.html



SocialSecurity.gov

### Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation	
90% of the <u>first</u> \$1,115	<b>40%</b> of the <u>first</u> \$1,115	
32% of the next \$5,606	32% of the next \$5,606	
15% of the remainder	15% of the remainder	

Max WEP reduction in 2023 is \$558/month



### **2023 WEP RETIREMENT BENEFIT FORMULA**

If your average monthly earnings are = \$1,750 Then your monthly benefit would be = \$126 \$612



40%

\$409



32% of Earnings over \$1,115 through \$6,721 (\$1,750 - \$1,115 = \$635)

\$635 = \$203



15% of Earnings over \$6,721.....

**\$0** = \$0

\*Payments rounded to whole dollar amounts

\$1,750 =\$612



#### Substantial Earnings for Each Year

<u>Year</u>	Substantial Earnings	<u>Year</u>	Substantial Earnings
1937-1954	\$900	1994	\$11,250
1955-1958	\$1,050	1995	\$11,325
1959-1965	\$1,200	1996	\$11,625
1966-1967	\$1,650	1997	\$12,150
1968-1971	\$1,950	1998	\$12,675
1972	\$2,250	1999	\$13,425
1973	\$2,700	2000	\$14,175
1974	\$3,300	2001	\$14,925
1975	\$3,525	2002	\$15,750
1976	\$3,825	2003	\$16,125
1977	\$4,125	2004	\$16,275
1978	\$4,425	2005	\$16,725
1979	\$4,725	2006	\$17,475
1980	\$5,100	2007	\$18,150
1981	\$5,550	2008	\$18,975
1982	\$6,075	2009-2011	\$19,800
1983	\$6,675	2012	\$20,475
1984	\$7,050	2013	\$21,075
1985	\$7,425	2014	\$21,750
1986	\$7,875	2015-2016	\$22,050
1987	\$8,175	2017	\$23,625
1988	\$8,400	2018	\$23,850
1989	\$8,925	2019	\$24,675
1990	\$9,525	2020	\$25,575
1991	\$9,900	2021	\$26,550
1992	\$10,350	2022	\$27,300
1993	\$10,725	2023	\$29,700

Note: Our Online WEP calculator allows you to estimate your Social Security benefit.



#### **EXCEPTION TO THE WEP**

Years of Substantial Earnings	% of First Factor in Benefit Formula
30 or more	90
29	85
28	80
27	75
26	70
25	65
24	60
23	55
22	50
21	45
20 or fewer	40



# GOVERNMENT PENSION OFFSET (GPO)





#### **GOVERNMENT PENSION OFFSET**

If any part of your pension is based on work not covered by Social Security, you may be affected by the Government Pension Offset.

If you receive a pension based on work not covered by Social Security, your spouse or widow(er) Social Security benefits may be reduced.

#### socialsecurity.gov/gpo





#### **GOVERNMENT PENSION OFFSET EXAMPLE**

2/3 of amount of non-covered pension will be used to reduce the Social Security spouse's/widow(er)'s benefits.

#### Examples:

\$2,500 Number Holder (Spouse's) Benefit

\$2,100 Non-covered Pension

Offset (2/3 of Pension) = \$1,400

Auxiliary Spouse's benefit = \$1,250 no benefit payable due to offset

Widow(er)'s benefit = \$2,500 benefit payable after offset = \$900

#### socialsecurity.gov/gpo



SocialSecurity.gov

### SPOUSAL BENEFITS



#### **UNDERSTANDING SPOUSE BENEFITS**

#### Life Claim

- 62 Earliest Age with reduction and annual earned income limits
- Eligible to maximum 50% at FRA
- Benefit amount depends on age
- Spouse has to be active on their record

#### **Death Claim**

- Eligible to maximum 100%
- Reduced if surviving spouse is under FRA
- 82.5% if the deceased spouse elected to receive benefits prior to their FRA



Know your eligibility...



#### **DIVORCED SPOUSES BENEFITS**

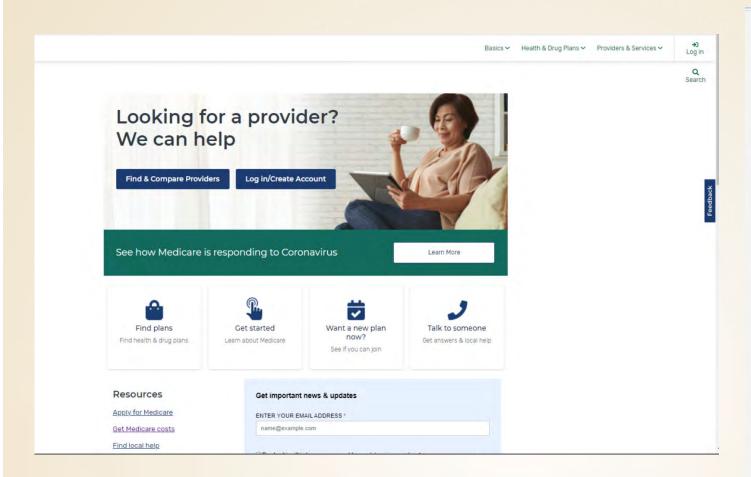
If you are divorced, and your marriage lasted 10 years or longer, you can receive benefits on your ex-spouse's record if:

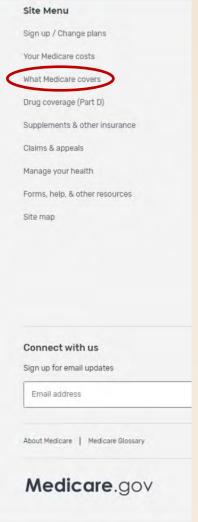
- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is entitled to Social Security retirement or disability benefits; and
- The benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.



## MEDICARE BENEFITS







#### 1-800-MEDICARE or Medicare.gov



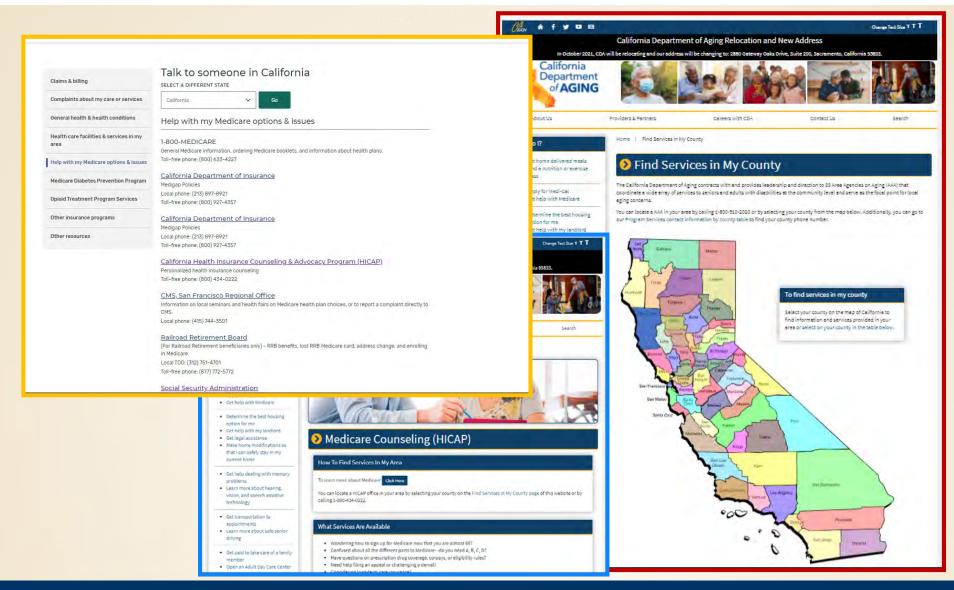
SocialSecurity.gov



Original Medicare	Medicare Advantage (aka Part C)
Part A (Hospital Insurance) Part B (Medical Insurance)	Part A (Hospital Insurance) Part B (Medical Insurance)
You can add: Part D (Prescription Drug Plan)	Most plans include: Part D (Prescription Drug Plan) Extra Benefits (e.g. vision, hearing, dental, and more)
You can also add: Supplemental insurance coverage (Medigap)	Some plans also include:  Lower out-of-pocket costs

#### www.medicare.gov





#### 1-800-MEDICARE or Medicare.gov



SocialSecurity.gov





### HEALTH INSURANCE COUNSELING & ADVOCACY PROGRAM

(714) 560-0424

2 Executive Circle, Suite 175 Irvine, CA 92614

www.coasc.org



#### **Initial Enrollment Period**

Begins 3 months before your 65<sup>th</sup> birthday and ends 3 months after that birthday

General Enrollment Period

January 1 – March 31

Medicare Enrollment

Special Enrollment Period

If 65 or older and covered under a group health plan based on your – or your spouse's – current work.

## MEDICARE EFFECTIVE DATES FOR INITIAL ENROLLMENT

If you enroll in the month of your initial enrollment period	Then your Part B Medicare coverage starts	
One to three months before you reach age 65	The month you turn age 65	
The month you reach age 65 One, Two or Three months after you reach age 65	The first day of the month after you sign up.	



#### **Medicare Standard Part B Premiums for 2023**

If you're single and file an individual tax return, or married and file a joint tax return:

Modified Adjusted Gross Income (MAGI)	Part B monthly premium amount	Prescription drug plan monthly premium amount
Individuals with a MAGI of \$97,000 or less Married couples with a MAGI of \$194,000 or less	2023 standard premium = \$164.90	Your plan premium + \$0
Individuals with a MAGI above \$97,000 up to \$123,000 Married couples with a MAGI above \$194,000 up to \$246,000	Standard premium + \$65.90	Your plan premium + \$12.20
Individuals with a MAGI above \$123,000 up to \$153,000 Married couples with a MAGI above \$246,000 up to \$306,000	Standard premium + \$164.80	Your plan premium + \$31.50
Individuals with a MAGI above \$153,000 up to \$183,000 Married couples with a MAGI above \$306,000 up to \$366,000	Standard premium + \$263.70	Your plan premium + \$50.70
Individuals with a MAGI above \$183,000 up to \$500,000 Married couples with a MAGI above \$366,000 up to \$750,000	Standard premium + \$362.60	Your plan premium + \$70.00
Individuals with a MAGI equal to or greater than \$500,000 Married couples with a MAGI equal to or greater than \$750,000	Standard premium + \$395.60	Your plan premium + \$76.40



### **APPLYING FOR BENEFITS**

3 options available to apply:



Online



By phone 1-800-772-1213



At our office

You choose the most convenient option for you!

*Note:* Supplemental Security Income (SSI), child and survivor claims can only be done by phone or in a field office (not online) at this time. We are developing an online SSI application.



### How to Get Help from Social Security

Social Security is here to help. We want you to know how to get the service you need and to be prepared so we can help you as quickly and safely as possible.





#### What to Know if You Must Visit an Office:

- Helpful to have an appointment to visit an office.
- Masks are required for all office visitors and employees, regardless
  of vaccination status.
- Visitor capacity is limited to follow physical distancing requirements. This means you may need to wait outside, so plan for cold or bad weather.
- We ask that you come alone unless you require help with your visit.
   If you require help, we only permit one person to accompany you.

#### We appreciate your patience and understanding.







# Securing today and tomorrow

