
Good Things Come to Those Who Wait,,,and Work

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Czarnowski Consulting: Expert Answers to Your Social Security Questions

www.CzarnowskiConsulting.com

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

January 4, 2010
See inside for your personal information →

WANDA WORKER
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MAINTOWN, USA 11111-1111

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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.money.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 Receiving 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.
- You can now 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 'Benefit Calculators' section of the Social Security Online website. The page title is 'About the Retirement Estimator'. It includes a search bar, navigation links (Home, Questions?, Contact Us), and a search box with the number 60. The main content is organized into three columns. The first column, 'How the Retirement Estimator Works', explains that estimates are based on actual Social Security earnings records and may vary from actual future benefits. The second column, 'Who Can Use the Retirement Estimator', lists eligibility criteria: having enough Social Security credits, not currently receiving benefits, not a Medicare beneficiary, and being 62 or older. The third column, 'How Long Can You Stay On Each Page?', states a 25-minute time limit per page. A 'Continue' button is located at the bottom right. A red box on the right side says 'Estimate Your Retirement Benefits' and another box asks 'What is the best age to start receiving retirement benefits?'. The footer includes the USA.gov logo, privacy policies, and a last reviewed date of April 01, 2009.

Social Security Online
www.socialsecurity.gov Home Questions? Contact Us Search 60

Benefit Calculators

About the Retirement Estimator

How the Retirement Estimator Works

The Retirement Estimator produces estimates that are based on your actual Social Security earnings record. Retirement estimates are just that, estimates. They will vary slightly from the actual benefit you may receive in the future because:

- Your Social Security earnings record is constantly being updated;
- Our calculators use different parameters and assumptions (e.g., different stop work ages, future earnings projections, etc.); and
- Your actual future benefit will be adjusted for inflation.

Caution: You cannot use the Estimator if you [block access](#) to your personal information.

Who Can Use the Retirement Estimator

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;
 - A Medicare beneficiary;
 - 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](#).

Estimate Your Retirement Benefits

What is the best age to start receiving retirement benefits?

How Long Can You Stay On Each Page?

For security reasons, there are time limits for viewing each page. You will receive a warning after 25 minutes without doing anything, and you will be able to extend your time on the page. After the third warning on a page, you must move to another page or your time will run out and your work on that page will be lost.

Note: If you turned JavaScript off in your browser, you will not receive these warnings. After you spend 30 minutes on a page, you must move to another page or you will be logged out.

Continue

USA.gov Privacy Policy | Website Policies & Other Important Information | Site Map
Last reviewed or modified Wednesday Apr 01, 2009 [Need Larger Text?](#)

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:

- 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.**
- At your FRA, you get your full benefit amount.**
- 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



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”**



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	\$15,480/yr. (\$1,290/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$41,400/yr. (\$3,450/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.

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.
- Proceeds are transferred back to Social Security.
- At the end of each year, people receive a *Social Security Benefit Statement* (Form SSA-1099).
- About **1/3** of people who get Social Security pay income taxes on their benefits.

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