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

Stonehill College Presentation

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**Czarnowski Consulting: Expert Answers to Your Social Security Questions** 

www.CzarnowskiConsulting.com

# **A Foundation for Planning Your Future**

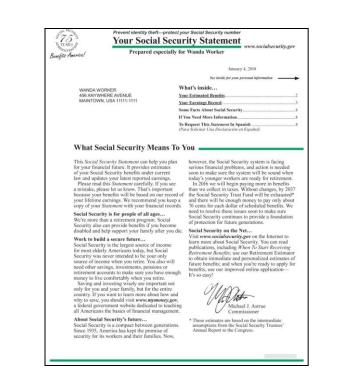
### OTHER INCOME

### SAVINGS & INVESTMENTS

PENSION

#### SOCIAL SECURITY

### **The Social Security Statement**



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 <u>www.SocialSecurity.gov/myaccount/</u>

### **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

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A	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	<ul> <li>You can use the <u>Retirement Estimator</u> if:</li> <li>You have enough <u>Social Security credits</u> at this time to qualify for benefits and</li> <li>You are not <ul> <li>Currently receiving benefits on your own Social Security record;</li> <li>A Medicare beneficiary;</li> <li>Age 62 or older and receiving benefits on another Social Security record; or</li> <li>Eligible for a <u>Pension Based on Work Not Covered By Social Security</u>.</li> </ul> </li> </ul>	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.	bonond i

### 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.

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### 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</u> <u>Make Up To</u>	If You Make More, Some Benefits Will Be Withheld
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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