



HAMILTON CAPITAL

Social Security

What you and your clients need to know

August 13th, 2024

HAMILTONCAPITAL.COM

Agenda

- Why does this matter?
- How benefits are calculated/determined
- Age matters: Case studies for filing at different ages
- Benefits to others
- Strategies for divorced and widowed clients
- WEP and GPO
- Where is Social Security headed?

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Why Benefit Election Matters

Helping clients make informed decisions

- **100's of combinations**
- **More important than ever**
 - Bipartisan Budget Act of 2015 increased complexity and confusion
 - Benefit elections impact other portfolio assets and taxes
 - No do-over
 - Other people will talk to your client

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Qualifying for Retirement Benefits



- **Paid Federal Insurance Contributions Act (FICA) taxes**
 - 7.65% total
 - 6.2% up to \$168,600 of wages in 2024 for Social Security aka Old Age, Survivors and Disability Insurance
 - 1.45% Medicare with no income cap
- **Earned 40 credits/quarters**
 - Earn 1 credit for every \$1,730 in wages (2024)
 - Max 4 credits per year
 - Don't have to work entire year to earn 4 credits, just need to earn \$6,920

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Reviewing a Social Security Statement



WANDA WORKER

January 20, 2024

Important Information That May Affect Your Benefits

The benefit estimates below are based on your earnings that were taxed for Social Security. Your benefits may be reduced if you participate in a retirement plan or receive a pension based on earnings not covered by Social Security. See *Earnings Not Covered by Social Security* box.

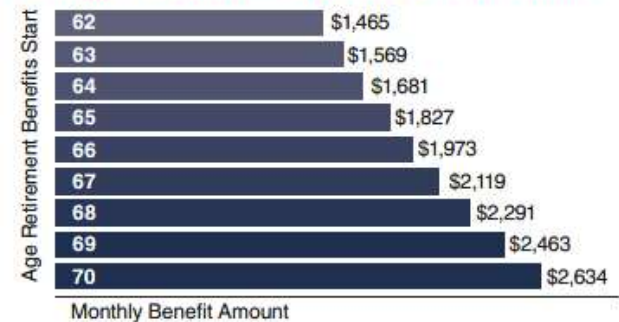
Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn “credits” through your work — up to four each year.

Your full retirement age is **67**, based on your date of birth: April 5, 1962. As shown in the chart, you can start your benefits at any time between ages **62** and **70**. **For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn **\$54,489** per year until you start your benefits. Learn more at ssa.gov/benefits/retirement/learn.html.

Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



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Reviewing a Social Security Statement Cont.



Work Year	Earnings Taxed for Social Security	Earnings Taxed for Medicare (began 1966)
1971-1980	\$ 2,142	\$ 2,142
1981-1990	87,102	87,102
1991-2000	246,069	246,069
2001	34,147	34,147
2002	34,846	34,846
2003	36,021	36,021
2004	38,032	38,032
2005	39,711	39,711
2006	41,829	41,829
2007	43,971	43,971
2008	45,170	45,170
2009	44,603	44,603
2010	45,666	45,847
2011	47,093	47,093
2012	48,560	48,560
2013	49,095	49,095
2014	50,605	50,605
2015	51,996	51,996
2016	52,108	52,108
2017	53,251	53,251
2018	53,966	53,966
2019	54,559	54,559
2020	54,489	54,489
2021	Not yet recorded	

Earnings Record
 Review your earnings history below to ensure it is accurate 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 below, but you can view your complete earnings record online with [my Social Security](#). **If you find an error**, view your full earnings record online and call **1-800-772-1213**.

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

Social Security taxes	Medicare taxes
You paid: \$75,568	You paid: \$18,158
Employer(s): \$77,498	Employer(s): \$18,158

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Retirement Benefits Calculation

$$\begin{array}{r} \text{\$Actual Earnings} \\ \text{x Index Factor} \\ \hline + \text{\$Highest 35 Years} \\ \hline \div 420 \\ \hline \hline \text{\$Average Indexed} \\ \text{Monthly Earnings} \end{array}$$

Step 1: Calculate Average Indexed Monthly Earnings

- Uses the highest 35 years of earnings, zeros included
- A wage index factor is applied to adjust forward and convert to current dollars
- The sum of adjusted earnings is divided by the total months in 35 years, $12 \times 35 = 420$
- This determines the person's AIME, Average Indexed Monthly Earnings

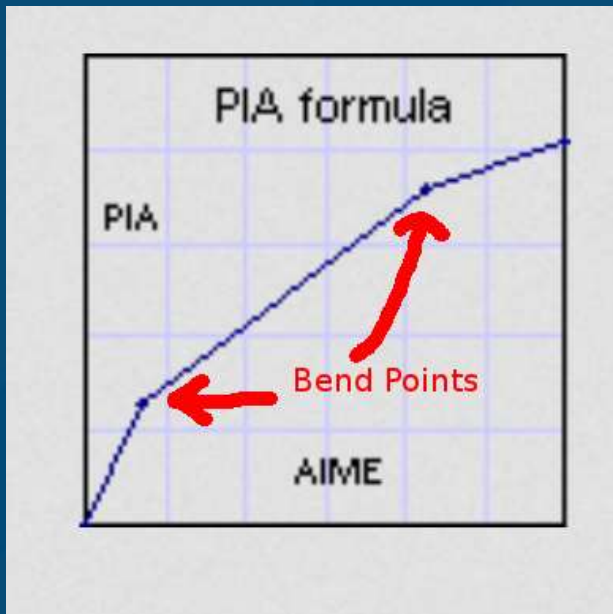
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Retirement Benefits Calculation Continued

Step 2: Calculate Worker's Primary Insurance Amt. (PIA)

- AIME is then used to calculate the worker's PIA
- Bend Points are applied to AIME
 - Similar to tax brackets
 - Set in year worker turns age 62
- 2024 Bend Points
 - 90% of the first \$1,174
 - 32% over \$1,174 through \$7,078
 - 15% over \$7,078



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Age Matters

- Workers can start benefits as early as age 62 but are **permanently** reduced
- Reduction = $5/9$ of 1% for the first 36 months and $5/12$ of 1% for each additional month before FRA
- Reduction also impacts spousal benefit
- Workers who wait beyond FRA earn **Delayed Retirement Credits (DRCs)**
- DRCs = 8% per year

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Age Matters

Retiree's Benefit Start Age	% of PIA	Claiming Zone	Monthly Benefit	% of Spoual PIA	Spousal Benefit During Retirees Lifetime
62	70%	Actuarial Reduction "Penalty Zone"	\$2,100	32.5%	\$975
63	75%		\$2,250	35.0%	\$1,050
64	80%		\$2,400	37.5%	\$1,125
65	86.7%		\$2,601	41.7%	\$1,251
66	93.3%		\$2,799	45.8%	\$1,374
67	100%	PIA Income Amount	\$3,000	50%	\$1,500
68	108%	Delayed Retirement Credits "Bonus Zone"	\$3,240	50%	\$1,500
69	116%		\$3,480	50%	\$1,500
70	124%		\$3,720	50%	\$1,500

Assumes retiree reaches FRA at age 67
<https://www.ssa.gov/benefits/retirement/planner/1960.html>

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Benefits for Others

	Retirement	Death Fully Insured
Covered Worker	100% FRA	0%
Spouse FRA	50%	100%
Spouse 62	<50%	81%
Spouse 60	0%	71%
Children	50%	75%
Spouse caring for child	50%	75%
Dependent Parents	0%	75%/ 82.5%

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When it might make sense to claim at 62



- No longer have earned income
 - Early withdrawals deplete investment portfolio more quickly
 - Reduces compound growth of portfolio
- Diversifies taxes early in retirement
- Shorter than average life-expectancy
- Children under the age of 18 or 19 if in high school
- Child permanently disabled prior to age 22
- Be cautious recommending
 - Annual earnings limit prior to FRA
 - Roth conversions

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Case Study – Start Benefits Early



Facts

- Taking withdrawals from portfolio and no sources of guaranteed income
- Wife not eligible for a benefit on own work record, so must wait for husband to begin taking benefits to receive her spousal benefit
- 2015 legislation changes no longer allow husband to file and suspend benefits at FRA
- Waiting until age 70 to begin benefits would cause wife to miss out on over seven years of benefits

Recommendation

- Both husband and wife should file for benefits at age 63
- Reduce withdrawals on portfolio to match SS benefit
- Provides greater flexibility now and long into the future

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Case Study – Start Benefits Early



Age	Social Security 63/63			Social Security 66/66				
	Total Inflows	Total Outflows	Net Cash Flow	Total Portfolio Assets	Total Inflows	Total Outflows	Net Cash Flow	Total Portfolio Assets
63/63	\$127,770	\$193,305	(\$65,535)	\$5,460,407	\$109,606	\$190,821	(\$81,215)	\$5,444,727
64/64	49,039	584,291	(535,252)	5,266,825	10,852	574,669	(563,817)	5,221,214
65/65	56,786	202,979	(146,193)	5,442,998	22,613	197,749	(175,136)	5,360,325
66/66	52,814	195,435	(142,621)	5,638,669	39,156	192,767	(153,611)	5,537,483
67/67	53,666	199,119	(145,453)	5,843,770	66,678	199,982	(133,304)	5,746,633
68/68	54,851	202,869	(148,018)	6,058,840	64,882	203,984	(139,102)	5,966,037
69/69	54,390	206,724	(152,334)	6,282,598	64,524	208,057	(143,533)	6,194,418
70/70	243,822	262,716	(18,894)	6,463,068	253,948	265,465	(11,517)	6,378,624
71/71	306,985	271,350	35,635	6,701,778	319,234	274,221	45,013	6,621,392
72/72	259,340	280,767	(21,427)	6,885,439	271,834	283,406	(11,572)	6,809,675
73/73	273,360	282,318	(8,958)	7,080,366	286,104	285,174	930	7,009,362
74/74	288,186	281,501	6,685	7,289,444	301,185	285,097	16,088	7,222,823
75/75	303,865	292,340	11,525	7,501,655	317,124	296,321	20,803	7,439,373
76/76	320,443	303,990	16,453	7,716,308	333,967	308,196	25,771	7,658,479
77/77	336,612	315,735	20,877	7,933,385	350,406	320,173	30,233	7,880,117
78/78	355,063	328,708	26,355	8,151,736	369,133	333,387	35,746	8,103,131
79/79	372,911	341,741	31,170	8,371,284	387,262	346,663	40,599	8,327,443
80/80	391,604	355,450	36,154	8,591,337	406,242	360,626	45,616	8,552,350
81/81	411,170	369,870	41,300	8,811,120	426,100	375,307	50,793	8,777,071
82/82	431,627	384,984	46,643	9,029,813	446,856	390,692	56,164	9,000,776
83/83	452,996	400,840	52,156	9,246,492	468,529	406,824	61,705	9,222,534
84/84	475,289	417,508	57,781	9,460,096	491,133	423,778	67,355	9,441,272
85/85	495,540	433,735	61,805	9,670,740	511,701	440,298	71,403	9,657,091
86/86	516,314	450,594	65,720	9,877,497	532,798	457,456	75,342	9,869,055
87/87	537,557	468,091	69,466	10,079,372	554,371	475,264	79,107	10,076,151
88/88	559,203	486,183	73,020	10,275,347	576,353	493,673	82,680	10,277,347
89/89	581,164	504,847	76,317	10,464,361	598,657	512,664	85,993	10,471,562
90/90	598,602	522,187	76,415	10,647,178	616,446	530,341	86,105	10,659,541
91/91	615,628	539,807	75,821	10,823,062	633,828	548,304	85,524	10,840,526
92/92	632,058	557,632	74,426	10,991,314	650,622	566,483	84,139	11,013,793
93/93	647,678	575,567	72,111	11,151,295	666,614	584,779	81,835	11,178,681
94/94	655,716	590,889	64,827	11,305,064	675,031	600,468	74,563	11,337,222
95/95	662,108	605,944	56,164	11,452,552	681,809	616,101	65,708	11,489,115
96/96	666,581	620,617	45,964	11,593,823	686,677	631,338	55,339	11,634,405
97/97	668,839	634,752	34,087	11,729,136	689,338	645,907	43,431	11,773,446
98/98	668,546	648,192	20,354	11,858,956	689,455	659,626	29,829	11,906,824
99/99	656,543	657,225	(682)	11,987,528	677,871	668,763	9,108	12,038,930
100/100	641,724	665,349	(23,625)	12,086,007	663,479	677,310	(13,831)	12,140,577

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When it might make sense to claim at FRA

- Still have earned income prior to FRA
 - Prior to FRA, subject to earnings limitations
- Limit withdrawals from their investments
- Claim a spousal benefit
- Children under the age of 18 or 19 if in high school
- Child permanently disabled prior to age 22

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Case Study – Start Benefits at FRA

Facts

- Husband is FRA
- Daughter is 11
- Wife is caring for a child under age 16

Recommendation

- Husband start benefits immediately
- Daughter and wife will each be eligible for 50% of husband's benefit up to family max
- Family to collect “extra” benefits in excess of \$144,000 by starting benefits at FRA

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Case Study – Start Benefits at FRA



Age	Social Security - 70				Social Security - FRA			
	Total Inflows	Total Outflows	Net Cash Flow	Total Portfolio Assets	Total Inflows	Total Outflows	Net Cash Flow	Total Portfolio Assets
67/61	\$223,351	\$156,640	\$66,711	\$880,312	\$280,225	\$168,439	\$111,786	\$925,387
68/62	824,431	133,068	691,363	1,670,065	882,443	143,519	738,924	1,765,541
69/63	124,920	135,214	(10,294)	1,763,769	184,093	146,273	37,820	1,913,374
70/64	191,029	149,402	41,627	1,893,330	207,693	155,386	52,307	2,063,040
71/65	204,556	153,609	50,947	2,038,977	193,154	152,551	40,603	2,209,034
72/66	207,609	156,989	50,620	2,191,993	195,979	155,885	40,094	2,362,237
73/67	193,682	165,773	27,909	2,330,371	181,819	164,512	17,307	2,500,739
74/68	196,635	169,355	27,280	2,475,178	184,535	168,030	16,505	2,645,505
75/69	99,710	136,340	(36,630)	2,563,441	87,368	134,714	(47,346)	2,733,782
76/70	102,915	139,769	(36,854)	2,655,176	90,327	138,080	(47,753)	2,825,350
77/71	118,588	146,715	(28,127)	2,747,115	105,748	145,355	(39,607)	2,916,530
78/72	122,762	150,488	(27,726)	2,842,529	109,666	149,076	(39,410)	3,010,933
79/73	126,932	154,325	(27,393)	2,941,606	113,574	152,865	(39,291)	3,108,721
80/74	131,270	158,336	(27,066)	3,044,435	117,645	156,812	(39,167)	3,209,977
81/75	135,779	162,483	(26,704)	3,151,148	121,882	160,889	(39,007)	3,314,816
82/76	140,468	166,773	(26,305)	3,261,880	126,293	165,104	(38,811)	3,423,353
83/77	145,257	171,207	(25,950)	3,376,778	130,798	169,460	(38,662)	3,535,711
84/78	150,312	175,788	(25,476)	3,495,990	135,564	173,959	(38,395)	3,652,017
85/79	155,116	180,421	(25,305)	3,619,772	140,073	178,505	(38,432)	3,772,501
86/80	160,054	185,186	(25,132)	3,748,316	144,710	183,200	(38,490)	3,897,309
87/81	165,120	190,100	(24,980)	3,881,813	149,469	188,031	(38,562)	4,026,610
88/82	170,308	195,248	(24,940)	4,020,376	154,344	193,037	(38,693)	4,160,543
89/83	175,611	200,901	(25,290)	4,163,861	159,328	198,277	(38,949)	4,299,199
90/84	180,472	206,540	(26,068)	4,312,632	163,863	203,791	(39,928)	4,442,636
91/85	185,191	212,258	(27,067)	4,466,984	168,249	209,369	(41,120)	4,591,126
92/86	189,897	218,129	(28,232)	4,627,157	172,616	215,057	(42,441)	4,744,911
93/87	194,564	224,068	(29,504)	4,793,491	176,937	220,852	(43,915)	4,904,253
94/88	198,408	229,893	(31,485)	4,966,533	180,429	226,526	(46,097)	5,069,661
95/89	202,111	235,830	(33,719)	5,146,637	183,772	232,303	(48,531)	5,241,450
96/90	205,364	241,773	(36,409)	5,334,285	186,658	238,080	(51,422)	5,420,059
97/91	208,370	247,811	(39,441)	5,529,904	189,290	243,941	(54,651)	5,605,872
98/92	211,081	253,914	(42,833)	5,733,975	191,620	249,860	(58,240)	5,799,322
99/93	212,432	259,754	(47,322)	5,947,340	192,582	255,505	(62,923)	6,001,203
100/94	213,066	265,532	(52,466)	6,140,695	192,819	261,079	(68,260)	6,182,158
101/95	161,354	270,326	(108,972)	6,343,428	140,697	265,150	(124,453)	6,372,022
102/96	163,338	276,417	(113,079)	6,552,725	142,268	271,003	(128,735)	6,567,464
103/97	165,070	282,867	(117,797)	6,770,565	143,579	277,203	(133,624)	6,770,406
104/98	166,508	289,381	(122,873)	6,997,459	144,587	283,454	(138,867)	6,981,296
105/99	166,477	295,567	(129,090)	7,234,339	144,118	289,365	(145,247)	7,201,001
106/100	166,126	301,807	(135,681)	7,481,815	143,320	295,315	(151,995)	7,430,062

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When it might make sense to claim at 70

- Provide spouse with the greatest possible survivor benefit
 - At first death, surviving spouse receives highest of the two SS benefits
- Still working and do not want to add additional taxable income
- Started saving late and need greatest benefit to provide adequate income
- Long life-expectancy
- Roth conversions

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Case Study – Start Benefits at 70



Facts

- Husband is still working and earning above earnings limitation
- Wife has no work record
- Husband has declining health and wants to get his money out of SS
- Wife is expected to have a long-life expectancy

Recommendation

- Husband cannot start benefits until FRA due to earnings limitation
- Wife to collect a spousal benefit as soon as husband starts benefits
- Wife will receive 100% of husband's benefit at his passing
- Husband to start benefits at age 70

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Case Study – Start Benefits at 70



Age	Social Security- 70					Social Security- 66				Total Cumulative Benefits
						Total				
						Social				
	Retirement Benefit	Spousal Benefit	Survivor Benefit	Security Income		Retirement Benefit	Spousal Benefit	Survivor Benefit	Security Income	
64/57	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65/58	0	0	0	0	\$0	0	0	0	0	\$0
66/59	0	0	0	0	\$0	31,140	0	0	31,140	\$31,140
67/60	0	0	0	0	\$0	34,650	0	0	34,650	\$65,790
68/61	0	0	0	0	\$0	35,343	0	0	35,343	\$101,133
69/62	0	0	0	0	\$0	36,050	6,922	0	42,972	\$144,105
70/63	44,494	11,657	0	56,151	\$56,151	36,771	12,104	0	48,875	\$192,980
71/64	49,510	12,971	0	62,481	\$118,632	37,506	12,346	0	49,852	\$242,832
72/65	50,500	13,230	0	63,730	\$182,362	38,256	12,593	0	50,849	\$293,681
73/66	0	0	49,438	49,438	\$231,800	0	0	37,453	37,453	\$331,134
74/67	0	0	50,425	50,425	\$282,225	0	0	38,201	38,201	\$369,335
75/68	0	0	51,434	51,434	\$333,659	0	0	38,965	38,965	\$408,300
76/69	0	0	52,463	52,463	\$386,122	0	0	39,745	39,745	\$448,045
77/70	0	0	53,512	53,512	\$439,634	0	0	40,539	40,539	\$488,584
78/71	0	0	54,582	54,582	\$494,216	0	0	41,350	41,350	\$529,934
79/72	0	0	55,675	55,675	\$549,891	0	0	42,178	42,178	\$572,112
80/73	0	0	56,788	56,788	\$606,679	0	0	43,021	43,021	\$615,133
81/74	0	0	57,923	57,923	\$664,602	0	0	43,881	43,881	\$659,014
82/75	0	0	59,082	59,082	\$723,684	0	0	44,759	44,759	\$703,773
83/76	0	0	60,263	60,263	\$783,947	0	0	45,654	45,654	\$749,427
84/77	0	0	61,468	61,468	\$845,415	0	0	46,567	46,567	\$795,994
85/78	0	0	62,698	62,698	\$908,113	0	0	47,498	47,498	\$843,492
86/79	0	0	63,952	63,952	\$972,065	0	0	48,448	48,448	\$891,940
87/80	0	0	65,231	65,231	\$1,037,296	0	0	49,418	49,418	\$941,358
88/81	0	0	66,536	66,536	\$1,103,832	0	0	50,406	50,406	\$991,764
89/82	0	0	67,866	67,866	\$1,171,698	0	0	51,414	51,414	\$1,043,178
90/83	0	0	69,223	69,223	\$1,240,921	0	0	52,442	52,442	\$1,095,620
91/84	0	0	70,608	70,608	\$1,311,529	0	0	53,491	53,491	\$1,149,111
92/85	0	0	72,021	72,021	\$1,383,550	0	0	54,561	54,561	\$1,203,672
93/86	0	0	73,462	73,462	\$1,457,012	0	0	55,653	55,653	\$1,259,325
94/87	0	0	74,931	74,931	\$1,531,943	0	0	56,766	56,766	\$1,316,091
95/88	0	0	76,429	76,429	\$1,608,372	0	0	57,901	57,901	\$1,373,992
96/89	0	0	77,959	77,959	\$1,686,331	0	0	59,060	59,060	\$1,433,052
97/90	0	0	79,518	79,518	\$1,765,849	0	0	60,241	60,241	\$1,493,293
98/91	0	0	81,109	81,109	\$1,846,958	0	0	61,446	61,446	\$1,554,739
99/92	0	0	82,731	82,731	\$1,929,689	0	0	62,674	62,674	\$1,617,413

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Strategies for Divorced Clients



- Must be single - cannot be remarried at time file for benefits
- Both are at least age 62
- Marriage lasted at least 10 years
- Must be divorced greater than 2 years
- OR ex-spouse must be receiving Social Security benefits
- Does not require ex-spouse cooperation, etc.
- Benefit is equal to 50% of ex-spouse's FRA amount
- At death of ex-spouse, client can receive increase

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Strategies for Widow(er)s



- Marriage must have lasted 9 months
- Benefit is 100% of PIA at FRA age
 - Survivor benefits do not earn DRCs
- Can file as early as age 60
 - Reduced benefit
 - Subject to annual earnings test limit
- 2015 legislative changes do not apply
 - Can file for survivor benefits and switch to own at age 70
 - Allows survivor to continue to earn DRCs on own work record

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Social Security Income Spoilers

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Reduction Due to Earnings

- Under FRA, benefits reduced if earned income is over \$22,320
 - Benefit reduced by \$1 for every \$2 over the limit
 - Benefit can be reduced to \$-0-
- Year of FRA benefits reduced if earned income is over \$59,520
 - Benefit reduced by \$1 for every \$3 over the limit
 - Only applies to earnings for months prior to FRA
- Special Earning Limit Rule
 - Usually for those who retire mid-year and have exceeded the limits
 - Allows Social Security to pay a full benefit for any whole month they consider a client retired, regardless of their yearly earnings

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Social Security Income Spoilers – Windfall Elimination Provision (WEP)



- Applies only to worker’s retirement benefit
- Modified formula is used to calculate AIME
- Maximum reduction \$/month in 2024
 - Reduction amount determined in year turn age 62
 - Cannot reduce SS benefit by more than 50% of pension
- Does not apply if worker has 30 years of substantial earnings
- Ministers who opted out are exempt

WEP Calculation vs Regular Calculation with AIME =\$3,000			
40% of first \$1,174 =	\$470	90% of first \$1,174 =	\$1,057
32% of the next \$5,904 =	\$584	32% of the next \$5,904 =	\$584
15% of amount over \$7,078 =	\$0	15% of amount over \$7,078 =	\$0
PIA =	\$1,054	PIA =	\$1,641

Values rounded to nearest dollar.

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Case Study – WEP



Facts

- OPERS pension \$1,303 per month- was still working and not receiving
- 25 years of substantial earnings under SS
- Not married
- Past FRA

Recommendation

- File for benefits 6 months retroactive
- Receive full payments until OPERS pension starts – 12 total
- WEP will apply when pension starts
 - Only reduced by \$231.50 because 25 years substantial earnings (turned 62 in 2019)

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Case Study – WEP (Continued)

Bonus Case Facts and Recommendation

- Minister opted out of SS in early 80's
- Had 15+ years of earnings under SS
- Was told by SS office subject to WEP
- Appeal would take 3+ years
- Wrote to congressman and had issue resolved in 3 months

Resource: <https://www.ssa.gov/benefits/retirement/planner/anyPiaWepjs04.html>

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Social Security Income Spoilers – Government Pension Offset (GPO)

- Applies only to spousal benefit of the worker
- SS benefit as a spouse is reduced by 2/3's of government pension
- Does not apply to non-covered pensions received as a survivor
- Can change at death of a spouse

GPO Calculation	
Government Pension	\$3,000
Spousal Benefit	\$1,800
2/3's of Pension	\$2,000
Spousal Benefit- 2/3's Pension	\$0

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Case Study – GPO



Facts

- Nancy has OPERS pension of \$3,500 per month
- Bill's SS benefit at FRA is \$2,600 per month
- Nancy has no SS benefit on her own record

Recommendation

- Nancy cannot receive a spousal SS benefit
 - $2/3$'s of pension = \$2,100
 - Spousal SS benefit = \$1,300
- Nancy is eligible for widow's benefit if Bill passes first
 - Widow's benefit = \$2,600 without GPO
 - Widow's benefit due to Nancy = \$500

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What's File and Suspend and Restricted Application?



Filing and Suspending

- Voluntary suspension of benefits
- Can still be done after FRA; Prior to FRA, can withdrawal application up to one-year but must repay any benefits received.
- Purpose of filing and suspending was to allow another person to receive money from the filers record while allowing their benefit to grow
- No retroactive payments of suspended benefits

Restricted Application

- Still available to widow(er)s
- Allowed filer to tell SS which record to pay benefits from.
- Example: File a restricted application for spousal benefits to receive a 50% payment and allow own benefit to grow until 70. Allowed people to receive a little income immediately and capitalize on DRCs.

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EFFECTIVE DATES AND CLAIMING DEADLINES FOR VARIOUS FILE-AND-SUSPEND AND RESTRICTED APPLICATION SCENARIOS

	CURRENTLY MARRIED		UNMARRIED DIVORCED SPOUSE (PREVIOUSLY MARRIED >10 YEARS)		PARENTS WITH DEPENDENT/DISABLED	SURVIVING SPOUSE	INDIVIDUAL
	File & Suspend	Restricted Application	File & Suspend	Restricted Application	File & Suspend	File & Suspend Or Restricted Application	File & Suspend
AGE 65 1/2 OR OLDER BY OCTOBER 29, 2015 (BORN APRIL 30, 1950 OR EARLIER)	Still available at FRA* must file by April 29, 2016	Still available at FRA* if otherwise eligible for spousal benefits	Not applicable	Still available at FRA* as long as former spouse also > age 62	Still available at FRA* must file by April 29, 2016	New rules not applicable. Can still independently choose timing of when to start survivor and individual retirement benefits	Must be FRA* and complete file-and-suspend by April 29, 2016 for future reinstatement
AGE 62-OR-OLDER IN 2015 (BORN 1953 OR EARLIER, OR ON JANUARY 1, 1954)	Not eligible	Not eligible		Not eligible	Not eligible, but can still Start-Stop-Start		No future lump sum reinstatement
UNDER AGE 62 IN 2015 (BORN JANUARY 2, 1954 OR LATER)							

*FRA = Full retirement age = 66 for those born 1954 or earlier

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Future of Social Security

Will Social Security Be There For Me?

Securing today and tomorrow

Our Trust

There are two Social Security trust funds.

Old-Age and Survivors Insurance (OASI) + Disability Insurance (DI) = Trust Funds

We can only pay benefits if there is money in the trust funds.

Transforming to Meet the Needs of Our Customers

The OASI and DI Trust Funds have reached the brink of depletion of asset reserves in the past.

However, in 1977 and 1983, Congress made substantial changes to the program that resulted in the \$2.788 trillion in the trust funds today.

Social Security in the Future

The combined OASI and DI Trust Funds will be able to pay all benefits in full and on time until 2035.

Even if legislative changes are not made before 2035, we'll still be able to pay 83% of scheduled benefits.

Social Security is with you through life's journey, securing today and tomorrow.

SSA.gov | Facebook | X | YouTube | Instagram | LinkedIn

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Questions?

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