



Social Security: An Overview

BEVERLY BAUTISTA

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Social Security

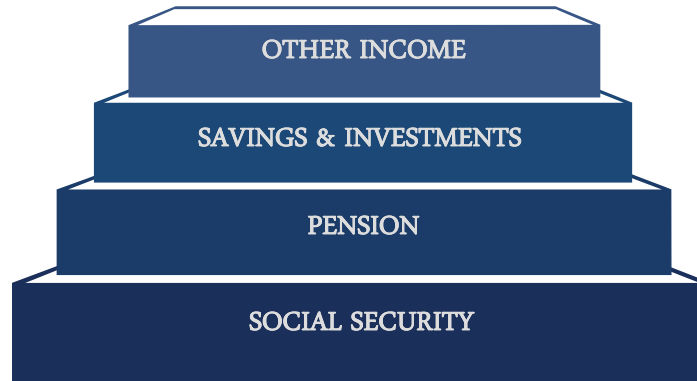
www.socialsecurity.gov



History of Social Security Programs

- **1935 – Retirement Insurance**
- **1939 – Survivors Insurance**
- **1956 – Disability Insurance**
- **1965 – Medicare Program**
- **1972 – Supplemental Security Income**
- **2003 – Medicare Part D Prescription Drug Coverage**
- **2010 – Patient Protection and Affordable Care Act**

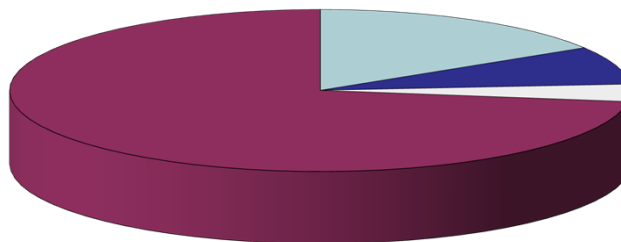
A Foundation for Planning Your Future



3

Who Gets Benefits from Social Security?

60 million people



- 8.9 million Disabled Workers and 1.9 million Dependents
- 4.2 million Widows/Widowers
- 1.9 million Children of Deceased Workers
- 40 million Retired Workers and 3 million Dependents

4

Who Pays for Social Security?

**Today's
Workers
&
Employers**



**Today's
Beneficiaries**

5

Social Security is an Earned Benefit

As you work and pay taxes, you earn Social Security
“Credits”

FICA Tax Rate: 7.65%

6.2% Social Security

1.45% Medicare

6

How Do You Qualify for Retirement Benefits?

- You work and earn Social Security “credits”
- Each \$1,260 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



To earn 4 credits in 2016, you must earn at least \$5,040. Earning 40 credits (minimum of 10 years of work) will qualify you for a retirement benefit.

7

Full Retirement Age

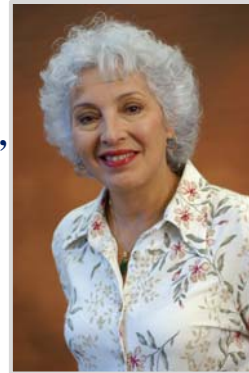
Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943 – 1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or later	67

8

Your Age At The Time You Elect Retirement Benefits Affects the Amount

If You're a Worker and Retire

- At age 62, you get a lower monthly payment – 75%
- If you wait till your full retirement age, you get your full benefit – 100%
- If you wait till age 70, you get an even higher monthly payment – 132%



9

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	\$15,720/yr. (\$1,310/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$41,880/yr. (\$3,490/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.

10

How Do I Apply for Retirement Benefits?

- Apply online at www.socialsecurity.gov
It is the most convenient way to apply;
- Call Social Security to schedule an appointment
1-800-772-1213 (TTY 1-800-325-0778); or
- Apply at your local Social Security office.



11

Applying for Retirement Benefits



You can apply online for Retirement Benefits by visiting www.socialsecurity.gov and clicking

“Apply for Retirement”

12

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”



2016 Retirement Benefit Computation Example

If your average monthly earnings are = \$5,500
Then your monthly benefit would be = \$2,197

Average Monthly Earnings	\$5,500			
90% of First	\$856	=		\$770
32% of Earnings over \$856 through \$5,157 <small>(\$5,157-\$856=\$4,301)</small>	\$4,301	=		\$1,376
15% of Earnings over \$5,157	\$343	=		\$51
	\$5,500			\$2,197

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

www.socialsecurity.gov/estimator

15

Windfall Elimination Provision

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



39

Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation
90% of the First \$856	40% of the First \$856
32% of the Next \$4,301	32% of the Next \$4,301
15% of the Remainder	15% of the Remainder

17

In Addition to the Retiree, Who Else Can Get Benefits?

Your Child

Not married under 18 (under 19 if still in high school)
Not married and disabled before age 22

Your Spouse

Age 62 or older (benefit is up to 50%)
At any age, if caring for a child under age 16 or disabled

Your Ex-Spouse

Marriage lasted at least 10 years
Ex-spouse 62 or older and unmarried (worker can be married)
Divorced at least two years and both are at least 62, he or she can get benefits even if the worker is not retired
Ex-spouse benefit amount has no effect on the amount you or your current spouse can get



18

Government Pension Offset (GPO)

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



19

Government Pension Offset (GPO)

Affects Spouse's and Widow(er)'s Benefits Only

- 2/3 of amount of government pension will be used to reduce the Social Security spouse's benefits

Example:

- \$1,200 of government pension $2/3 = \$800$
Social Security spouse's benefits = \$750
No benefit payable by Social Security
- Our Online GPO calculator allows you to estimate your Social Security benefit.
www.socialsecurity.gov/calc-gpo

20

Who Can Get Survivors Benefits?

Your Child if:

- **Not married under age 18** (under 19 if still in high school)
- **Not married and disabled before age 22**

Widow(er):

- **Full benefits at full retirement age** (benefits up to 100%)
- **Reduced benefits at age 60**
- **If disabled, reduced benefits as early as age 50**
- **At any age if caring for child under 16 or disabled adult child**
- **Remarriage after age 60 (50 if disabled)**
- **Not entitled to own Retirement which is greater**
- **Divorced widows/widowers may qualify**

21

Other Survivors Benefits

➤ **Parents**

Age 62 and was receiving at least one-half support from deceased worker

➤ **Lump Sum Death Payment (\$255)**

**Most spouses
Some children**



22

Social Security's Disability Definition:

A medical condition or combination of impairments preventing substantial work for at least 12 months, or expected to result in death.

The determination also considers age, education & work experience.



23

Who Can Get Disability Benefits?

Worker – Three requirements

- Must be “fully insured” and
- Must have earned 20 Social Security “credits” in the last 10 years (For younger workers, under age 31 less work is required) and
- Must meet Social Security’s disability definition.



24

Who Else Can Get a Disability Benefit?

Disabled Adult Child

- Not married and disabled before age 22

Disabled Widow(er)s

- At age 50
 - Divorced widow(er)s may qualify
-

Must meet Social Security's Disability Definition

25

Disabled Worker's Family Can Be Paid Benefits Too

Child

- Not married under age 18 (under 19 if still in high school)
- Not married and disabled before age 22

Spouse

- At age 62
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify



26

Applying Online for Disability Benefits



- **Social Security offers an online application for adults to apply for disability benefits.**
- **It's the most convenient way to apply.**

➤ www.socialsecurity.gov/applyforbenefits

27

Applying for Disability Benefits



You can apply online for Disability Benefits by visiting www.socialsecurity.gov and clicking

“Apply for Disability”

28

Your Benefits Can Be Taxable

- About 1/3 of people who get Social Security pay income taxes on their benefits.
- At the end of each year, you'll receive a *Social Security Benefit Statement (Form SSA-1099)*. Use this statement to complete your Federal income tax return to find out if you have to pay taxes on your benefit.

29

my Social Security

Your Online Account ... Your Control ...
socialsecurity.gov/myaccount



my Social Security is an easy-to-access, easy-to-use portal to view and update some of your own Social Security information.

30

Who Can Open a *my* Social Security Account?

You must be at least 18 years old and have a:



- Valid E-mail address;
- Social Security number; and
- U.S. mailing address.

31

my Social Security Services

If you don't get benefits, you can—

- Review estimates of your future retirement and disability benefits;
- Review estimates of the benefits your family may get when you receive Social Security or die;
- Verify your lifetime earnings according to Social Security's records;
- Review the estimated Social Security and Medicare taxes you've paid;
- Learn about qualifying and signing up for Medicare; and
- View, save, and print your *Social Security Statement*.

32

my Social Security Services

If you do get benefits you can—

- Check your benefit and payment information and verify your earnings record;
- Change your address and phone number; and
- Start or change your direct deposit.



33

Centers for Medicare and Medicaid Services

MEDICARE Health Insurance

*Medicare is this country's health
insurance program*

www.medicare.gov

34

Who Can Get Medicare ?

65 & older

-or-

24 months after entitlement to Social Security disability benefits

-or-

Amyotrophic Lateral Sclerosis (ALS)

(Lou Gehrig's disease - - - ice bucket challenge)

-or-

Permanent kidney failure and receive maintenance dialysis or a kidney transplant

-or-

Exposure to Environmental Health Hazards

(Lincoln County, Montana)

35

When Can I Sign Up for Medicare Part B?

Medicare Enrollment Periods:

- Initial – at age 65
- Special – if still working
- General – January-March

62

Medicare Has Four Parts

Part A - Hospital Insurance

- Covers most inpatient hospital expenses
- 2016 deductible \$1,288

Part B - Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses after 1st \$166 in approved charges
- 2016 standard monthly premium \$121.80

Part C – Medicare Advantage Plans

- Health plan options offered by Medicare-approved private insurance companies
- When you join a Medicare advantage plan, you can get the benefits and services covered under Part A, Part B, and in most plans, Part D

Part D – Medicare Prescription Drug Coverage

- Covers a major portion of your prescription drug costs
- Your out-of-pocket costs—monthly premiums, annual deductible and prescription co-payments—will vary by plan
- You enroll with a Medicare-approved prescription drug provider not Social Security

37

Applying for Medicare

The screenshot shows the Social Security Administration website. The navigation bar includes 'Home', 'Numbers & Cards', 'Benefits', 'Information for...', 'Business & Government', and 'Our Agency'. The 'Benefits' link is highlighted with a red box and a red arrow. Below the navigation bar is a 'Retire Online!' banner with a photo of three people. Underneath are four service tiles: 'Social Security App', 'Online Services', 'Retirement Estimator', and 'FAQs'. At the bottom, there are sections for 'Items of Interest' and 'News'.

You can apply online for Medicare by visiting www.socialsecurity.gov and clicking “Benefits”

38

For More Medicare Information

1-800-MEDICARE
(1-800-633-4227)
TTY 1-877-486-2048
www.medicare.gov

**Guam Medicare Assistance Program
(MAP) Office**
Mangilao, Guam
735-7421 / 735-7415

39



Social Security Embraces Social Media

Discover us on Facebook, Twitter, YouTube,
and Pinterest

View popular agency webinar videos at
www.socialsecurity.gov/webinars

Sign-up to get E-mails and SMS/Texting
when we update popular
www.socialsecurity.gov web pages

40

Social Security's Online Services

Online Services for before or after you receive benefits

- Retirement Estimator
- Social Security Statement
- Retirement & Disability Applications
- Medicare Online
- Retirement/Survivors/Disability Planner
- Change of Address
- Medicare Card Replacements
- Request a Benefit Verification Letter
- Start or Change Direct Deposit

www.socialsecurity.gov

41

Contact SSA at

- **www.socialsecurity.gov**
 - **1-800-772-1213**
 - **Local Office Location:**
Suite 155
770 East Sunset Boulevard
Tiyan Guam 96913-1506
Telephone 1-855-616-6393

42