



Social Security, Medicare and Disability

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Social Security and Medicare

- Tax deducted from paycheck:
 - Social Security (Old-Age, Survivors, and Disability Insurance): Employers and Employees each 6.2%
 - Medicare: Employers and Employees each 1.45%
- Self-employed pay both halves (15.3%)
- 2017 – Maximum taxable earnings is \$127,200 for Social Security

Eligibility to Receive Benefits

Earn up to 4 credits per year (1 per each \$1300 in wages to a max of 4/year in 2017)

- Retirement & Medicare: Earned 40 credits
- Disability: Meet definition of disability AND have worked long enough, and recently enough to qualify
- Survivors: Younger you are, fewer credits you need. No one needs more than 40 credits.

Benefits Eligibility

When you	You	Your Spouse or Unmarried Ex-Spouse*	Your Unmarried Child
Retire	Age 62 or over	<ul style="list-style-type: none"> Age 62 or over Any age, if caring for your child under 16 or disabled before 22 	Under 18, or up to 19 if in high school; any age if disabled before 22
Become Disabled	Any age before full retirement age (FRA)	<ul style="list-style-type: none"> Age 62 or over Any age, if caring for your child age 16 or disabled before 22 	Under 18, or up to 19 if in high school; any age if disabled before 22
Die		<ul style="list-style-type: none"> Age 60 or over, or 50-59 if disabled Any age, if caring for your child age 16 or disabled before 22 	Under 18, or up to 19 if in high school; any age if disabled before 22

*For your spouse to be able to collect benefits on your record, you must first file for benefits. Your ex-spouse does not have to wait for you to file as long as you've been divorced 2 or more years.

When is your full retirement age (FRA)?

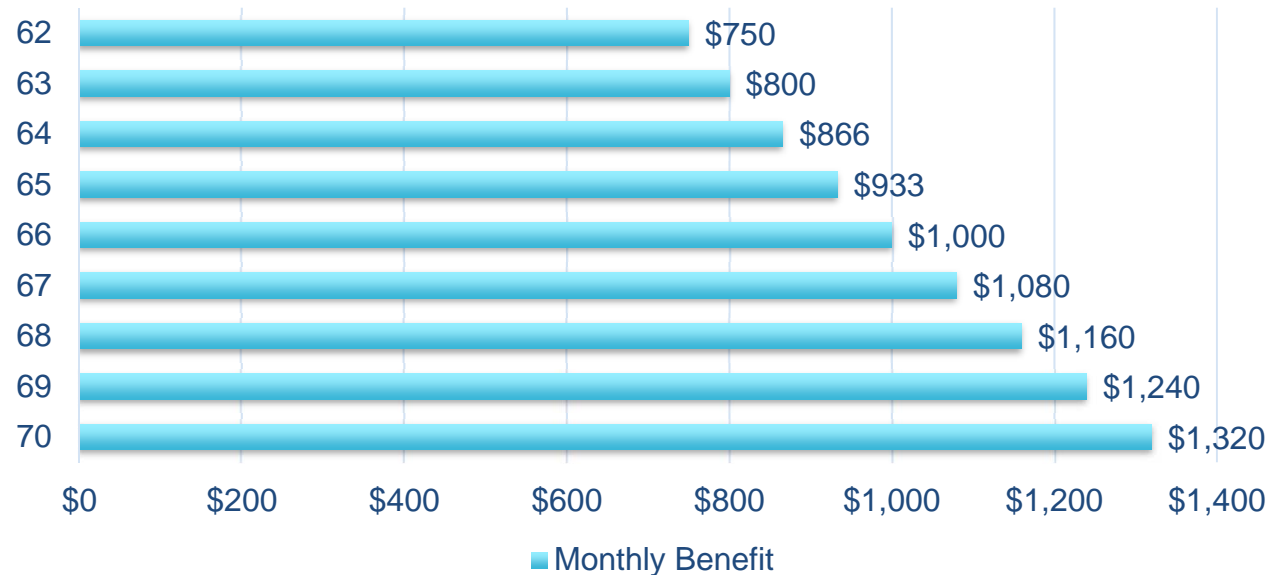
If you were born in:	Your full retirement age is:	Benefit Reduction at 62
1943-54	66	25.00%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.5%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960 and later	67	30.00%

Why is FRA Important?

- Monthly benefit amounts are reduced if taken before FRA and increased after FRA (minimum age to file for benefits is 62)
 - The amount received when one first gets benefits sets the base for the amount that will be received for the rest of lifetime.
- “Earnings Limit” no longer applies
 - Benefits may be reduced if collected prior to FRA, until they reach FRA (Slide 12)

Your Age at the Time You Elect Retirement Benefits Affects the Amount

Monthly Benefit



Maria's benefit is \$1,000 at her full retirement age of 66

my Social Security

Your Online Account ... Your Control ...

www.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.

Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...	
	your full retirement age (67 years), your payment would be about.....	\$ 1,827 a month
	age 70, your payment would be about	\$ 2,266 a month
	age 62, your payment would be about	\$ 1,271 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now,	
	your payment would be about.....	\$ 1,809 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:	
	Your child.....	\$ 1,356 a month
	Your spouse who is caring for your child.....	\$ 1,356 a month
	Your spouse, if benefits start at full retirement age.....	\$ 1,809 a month
	Total family benefits cannot be more than	\$ 3,298 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of \$255.	
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.	

*** Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.**

We based your benefit estimates on these facts:

Your date of birth (please verify your name on page 1 and this date of birth).....	April 5, 1957
Your estimated taxable earnings per year after 2017	\$45,468
Your Social Security number (only the last four digits are shown to help prevent identity theft).....	XXX-XX-1234



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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”



Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings	Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1973	218	218	1998	30,873	30,873
1974	553	553	1999	32,872	32,872
1975	1,032	1,032	2000	34,902	34,902
1976	1,822	1,822	2001	35,962	35,962
1977	2,561	2,561	2002	36,516	36,516
1978	3,309	3,309	2003	37,589	37,589
1979	4,326	4,326	2004	39,453	39,453
1980	5,868	5,868	2005	40,909	40,909
1981	7,634	7,634	2006	42,753	42,753
1982	9,056	9,056	2007	44,609	44,609
1983	10,416	10,416	2008	45,451	45,451
1984	11,913	11,913	2009	44,401	44,401
1985	13,247	13,247	2010	44,938	44,938
1986	14,370	14,370	2011	45,730	45,730
1987	15,953	15,953	2012	46,289	46,289
1988	17,365	17,365	2013	45,488	45,488
1989	18,617	18,617	2014	45,585	45,585
1990	19,986	19,986	2015	45,468	45,468
1991	21,213	21,213	2016	Not yet recorded	
1992	22,744	22,744			
1993	23,315	23,315			
1994	24,294	24,294			
1995	25,597	25,597			
1996	27,177	27,177			
1997	29,061	29,061			

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:

You paid: \$63,775
Your employers paid: \$65,651

Estimated taxes paid for Medicare:

You paid: \$15,375
Your employers paid: \$15,375



You Can Work & Still Receive Benefits

If You Are	You Can Make Up To	If You Make More, Some Benefits Will Be Withheld
Under Full Retirement Age	\$16,920/yr. (\$1,410/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$44,880/yr. (\$3,740/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.

Provisional Income and Taxation

- Social Security retirement benefits are taxed if total “**Provisional Income**” is above certain thresholds
- **Calculate Preliminary AGI:** wages, pension dollars, dividends, realized capital gains, taxable interest from investments, annuities, rental income and other sources. **Add** tax-exempt interest (if any) plus 50% of Social Security benefits – this is your **Provisional Income**.

Single or Head of Household	Married, Filing Jointly	Taxable %
\$25,000 or less	\$32,000 or less	Not Taxed
\$25,000 - \$34,000	\$32,000-\$44,400	Up to 50% Taxable
Above \$34,000	Above \$44,000	Up to 85% Taxable

Spouse's Benefit Computation

- Retirement benefit is 50% of worker's unreduced benefit
- Reduction for early retirement
- If spouse's own benefit is less than 50% of the worker's, they get their benefit first, then additional amount to equal 50% of worker's amount
- Does not reduce payment to worker
- At FRA 100% of deceased worker's benefit

- Ex-Spouse
 - Marriage lasted 10 years
 - You are unmarried
 - You are age 62 or older
 - Ex-spouse is entitled to receive benefits
 - If ex-spouse is not drawing benefits, must be entitled to them, and you must have been divorced at least two years

Disability and SSI

- Must meet Social Security definition of disabled
 - Medical condition is expected to last at least one year or result in death
- Recent work test & Duration of work test
- Supplemental Security Income
 - Income and resource limits
 - Age 65; blind; disabled

Disability Recent Work Test

If you become disabled...	Then you generally need:
In or before the quarter you turn age 24	1.5 years of work during the three-year period ending with the quarter your disability began.
In the quarter after you turn age 24 but before the quarter you turn age 31	Work during half the time for the period beginning with the quarter after you turned 21 and ending with the quarter you became disabled. Example: If you become disabled in the quarter you turned age 27, then you would need three years of work out of the six-year period ending with the quarter you became disabled.
In the quarter you turn age 31 or later	Work during five years out of the 10-year period ending with the quarter your disability began.

Duration of Work Test

If you become disabled...	Then you generally need:
Before age 28	1.5 years of work
Age 30	2 years
Age 34	3 years
Age 38	4 years
Age 42	5 years
Age 44	5.5 years
Age 46	6 years
Age 48	6.5 years
Age 50	7 years
Age 52	7.5 years
Age 54	8 years
Age 56	8.5 years
Age 58	9 years
Age 60	9.5 years

Survivor

- Widow/Widower
 - Full benefit at full retirement age
 - Reduced at age 60, or age 50 and disabled
 - Any age if caring for a child younger than 16
- Unmarried children
- Dependent parents if they are 62+ and you provide at least half of their support (qualified dependent on your taxes)

Family

- Children's benefits
 - Unmarried
 - Younger than 18 (19 if full-time student grade 12 or under)
 - 18 or older and disabled before age 22
- Apply with retirement, disability and survivor's benefits

Medicare

- Eligibility is still age 65
 - May delay enrollment without penalty under certain circumstances if you or spouse has employer coverage from active employment, depending on number of employees
- 40 credits for premium free Part A
- 4 parts to Medicare, premium for Parts B, C, D and Supplement plans
- Refer to SHICK Counselor

Medicare and the Health Insurance Marketplace

- If clients retire prior to age 65, can enroll in a Marketplace plan before Medicare coverage begins
- No longer eligible for premium tax credits once enrolled in Medicare
- May have a late enrollment penalty for as long as they have Medicare if they do not enroll during their Initial Enrollment Period

Income Related Monthly Adjustment Amount (IRMAA)

Medicare modified adjusted gross income cliff brackets

Based on IRS filing status, tax year and Medicare premium year

MAGI Tier	IRS filing single		IRS married filing jointly	
	≤ 2015 tax year & ≤ 2017 premium year	≤ 2016 tax year & ≤ 2018 premium year	≤ 2015 tax year & ≤ 2017 premium year	≤ 2016 tax year & ≤ 2018 premium year
1	≤ \$85,000	≤ \$85,000	≤ \$170,000	≤ \$170,000
2	≥ \$85,001 to ≤ \$107,000	≥ \$85,001 to ≤ \$107,000	≤ \$170,001 to ≤ \$214,000	≤ \$170,001 to ≤ \$214,000
3	≤ \$107,001 to ≤ \$160,000	≤ \$107,001 to ≤ \$133,500	≤ \$214,001 to ≤ \$320,000	≤ \$214,001 to ≤ \$267,000
4	≤ \$160,001 to ≤ \$214,000	≤ \$133,501 to ≤ \$160,000	≤ \$320,001 to ≤ \$428,000	≤ \$267,001 to ≤ \$320,000
5	> \$214,000	> \$160,000	> \$428,000	> \$320,000

Source: Goodcare.com



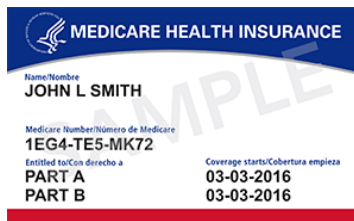
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Need Help Paying for Prescription Drugs & Premiums?

- Low Income Subsidy (LIS)
- Apply to Social Security any time
 - On-line or pen & paper
- 2017 Income guidelines
 - \$18,090 annual income or \$1,508 per month (single)
 - \$24,360 annual income or \$2,030 per month (couple)
- Assets/resources guidelines
 - \$13,820 (single)
 - \$27,600 (couple)
 - Includes savings, CD, real estate, stocks/bonds, value of insurance policies, etc.
- Receive letter of acceptance or denial
- Reduced cost for premium & drugs

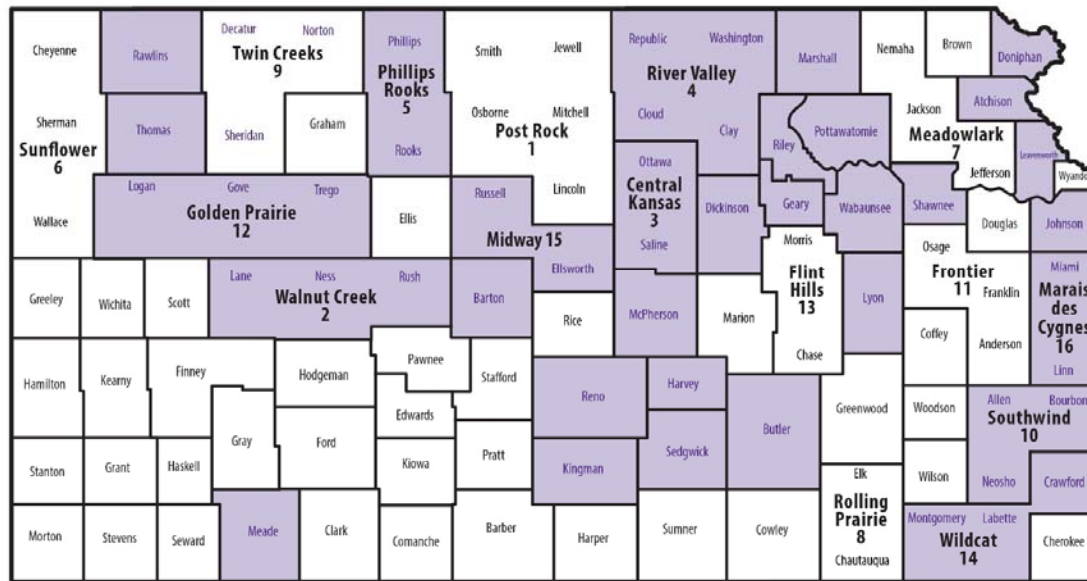
Replacing SSN on Medicare Cards

- Beginning April 2018 new Medicare cards with Medicare Beneficiary Identifier (MBI)
- Transition period from April 1, 2018 through December 31, 2019 where either card/number can be used
- New numbers will be 11 characters in length and made up of numbers and uppercase letters
- Update address with Social Security Administration



Extension offices with SHICK Counselors

2017 SHICK Counties



Updated September 2017



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ACA Navigators

- Erin Petersilie, Walnut Creek District
- Joy Miller, Southwind District
- Susie Latta, Marshall County

- Call 2-1-1 (Kansas only)
- Visit coverks.org

Enrollment Period – November 1 – December 15

Overlaps with Medicare Open Enrollment



Resources

- www.socialsecurity.gov
 - Social Security – 1-800-772-1213
 - www.socialsecurity.gov/myaccount
 - Benefit verification letters
 - Change address and phone number
 - Start or change direct deposits
- www.medicare.gov
 - 1-800-MEDICARE or 1-800-633-4227

Social Security Publications

05-10540 How to Create an Online Account

05-10072 How You Earn Credits

05-10024 Understanding the Benefits

05-10035 Retirement Benefits

05-10029 Disability Benefits

05-10084 Understanding Survivor's Benefits

05-10147 When to Start Receive Retirement Benefits

05-10529 Retirement Info. for Medicare Beneficiaries

05-10043 Medicare

05-10127 What Every Woman Should Know

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