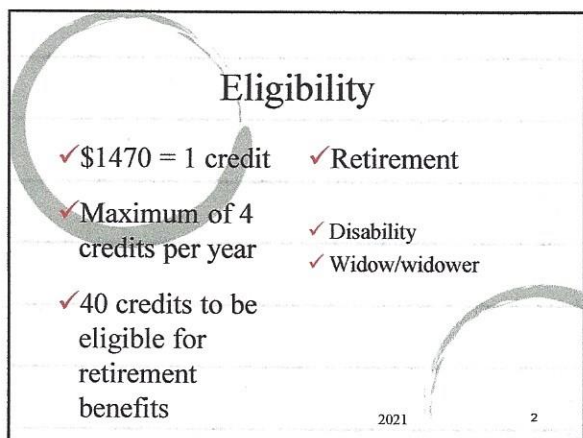
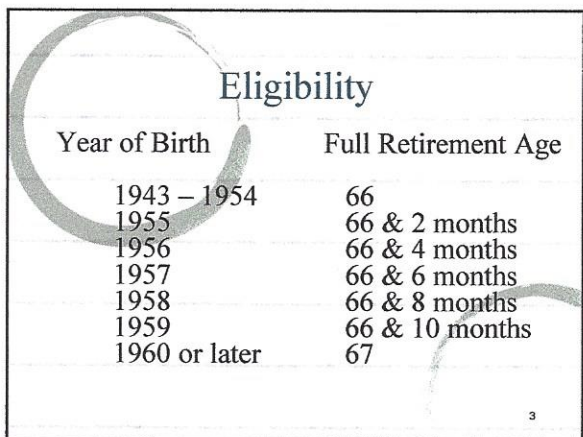


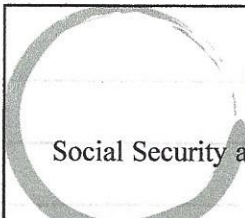
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Taxes

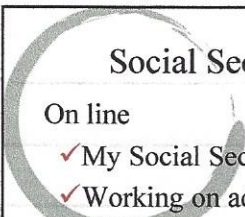
Social Security and Medicare

You pay 7.65%

- ✓ Social Security = 6.2%
- ✓ Medicare Part A = 1.45%

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Social Security Statement

On line

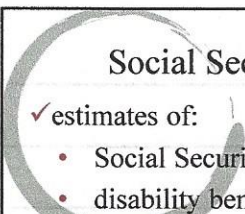
- ✓ My Social Security account
- ✓ Working on additional level of security

Statement mailed at age 60+ if

- ✓ not receiving benefits AND
- ✓ no "My Social Security" account

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Social Security Statement

✓ estimates of:

- Social Security retirement benefits
- disability benefit
- survivors' benefits

✓ earnings history

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Benefits

Social Security benefit based on

- ✓Date of birth
- ✓Type of benefit
- ✓Lifetime earnings

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Benefits

Age 62	Reduced benefit	1/2% per month 6% per year
Full retirement age	Full benefit	
After full retirement age	Increased benefit	2/3% per month 8% per year

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Benefits

If you are	Can earn no more than	Otherwise must pay back
Under full retirement age	\$18,960/year	\$1 for every \$2 over
Year of full retirement age	\$50,520 prior to full age	\$1 for every \$3 over
Month of full retirement age and beyond	No limit	

2021

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Calculating Benefits

Step 1: Adjust or "index" earnings from the time they were received into today's dollars

Step 2: Identify the highest 35 years of these "indexed" earnings (put in zeroes of less than 35 years of earnings)

Step 3: Find the average of these 35 years

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Benefits

Year	Earnings	Year	Earnings
1965	\$411	1997	\$53,843
1966	\$582	1998	\$55,451
1968	\$3,597	2002	\$46,344
1973	\$9,542	2003	\$13,541
1975	\$11,592	2007	\$9,867
1982	\$26,982	2008	\$9,902
1983	\$27,740	2009	\$9,472
1984	\$29,392	2013	\$8,442
1992	\$48,5829	2014	\$11,902

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Wages After Indexing

Year	Factor	Original Wage	Indexed Wage
1965	10.3244303	\$411.00	\$4,243.34
1973	6.3453318	\$9,542.00	\$60,547.16
2009	1.1814475	\$9,472.00	\$11,190.67
1975	5.5728277	\$11,592.00	\$64,600.22
2014	1.0347904	\$11,902.00	\$12,316.08

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Benefits			
Start Benefit	62 \$1271	66 \$1690	70 \$2231
62	\$15,252	0	0
63	\$30,504	0	0
64	\$45,756	0	0
65	\$61,008	0	0
66	\$76,260	\$20,280	0
67	\$91,512	\$40,560	0
70	\$137,268	\$101,400	\$26,772
71	\$152,520	\$121,680	\$53,544
72	\$167,772	\$141,960	\$80,316

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Benefits			
Start Benefit	62 \$1271	66 \$1690	70 \$2231
76	\$228,780	\$223,080	\$187,404
77	\$244,032	\$243,360	\$214,176
78	\$259,284	\$263,640	\$240,948
79	\$274,536	\$283,920	\$267,720
80	\$289,788	\$304,200	\$294,492

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Social Security and Taxes

Any combination of:

- ✓ collecting DRS defined benefit
- ✓ drawing Social Security benefit
- ✓ working at a job
- ✓ accessing investment accounts

MEANS

some of Social Security benefit may be taxable.

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Social Security and Taxes		
Combined income:		Percent of Social Security that is taxable:
single	filing jointly	
less than \$25,000	less than \$32,000	0%
\$25,000 to \$34,000	\$32,000 to \$44,000	50%
over \$34,000	over \$44,000	85%

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Social Security and Taxes	
Income tax withholding options	
✓ 0%	
✓ 7%	
✓ 12%	
✓ 22%	
Not done automatically	

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How to apply	
✓ Online	
✓ By phone	
✓ In person*	
* Can make an appointment	

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Documents You May Need

Depends on benefit you are applying for:

- ✓ Social Security number for each party
- ✓ Bank information for direct deposit
- ✓ Information about marriages/divorces
- ✓ Information about military or railroad service

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When do I get my money?

Depends on your birthday

- | | |
|--|---------------------------|
| 1 st – 10 th of the month | 2 nd Wednesday |
| 11 th – 20 th of the month | 3 rd Wednesday |
| 21 st – end of the month | 4 th Wednesday |

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Work with Social Security to help you determine:

- ✓ if there is a spousal benefit that is higher than own benefit
- ✓ if collecting a spousal benefit, when should you (or could you) collect your own
- ✓ if you qualify for \$255 benefit upon the death of first member of a married couple

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**Work with financial planner
to help you determine:**

- ✓ when is the best time to collect your Social Security
- ✓ how much income tax to have withheld from your Social Security check

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**States where
public education employees
do not pay into Social Security**

Alaska	Illinois	Missouri
California	Kentucky	Nevada
Colorado	Louisiana	Ohio
Connecticut	Maine	Rhode Island
Georgia	Massachusetts	Texas (parts)

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**Windfall Elimination Provision (WEP)
Government Pension Offset (GPO)**

Have you or your spouse

- ✓ worked for a public entity that did not pay into Social Security

And

- ✓ qualified for a public pension?

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Windfall Elimination Provision (WEP)

Government Pension Offset (GPO)

If you are receiving a government/public pension based on work not covered by Social Security:

✓ your Social Security benefits may be reduced under WEP

OR

✓ your Social Security spouse's or widow(er)'s benefits may be reduced under GPO.

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