

# Social Security Planning

DevNW Workshop

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# Social Security Calculators

The best way to start planning for your future is by [creating a my Social Security account online](#). With [my Social Security](#), you can verify your earnings, get your Social Security Statement, and much more – all from the comfort of your home or office. SSA.gov has a variety of calculators to help you plan for the future and for what you may need now:

**Retirement Age Calculator** Find your full retirement age and learn how your monthly benefits may be reduced if you retire before your full retirement age.

**Retirement Estimator** Estimate monthly benefits based on your Social Security earnings record.

**Windfall Elimination Provision (WEP) Calculator** Estimate if you are eligible for a pension based on work that was not covered by Social Security.

**GPO Calculator** Estimate of spouse benefits for yourself if you receive a pension from a government job in which you did not pay Social Security taxes. Your benefit may be offset by the Government Pension Offset (GPO).

**Detailed Calculator** Get the most precise estimate of your retirement, disability, and survivors benefits. The estimate includes WEP reduction. Must be downloaded and installed on your computer.

**Early or Late Retirement Calculator** Compute the effect on your benefit amount if you file for early or delayed retirement benefits.

**Earnings Test Calculator** Learn how your earnings may affect your benefit payments if you are currently working and are eligible for retirement or survivors benefits this year.

**Benefits for Spouses Calculator** Compute the effect on your wife's or husband's benefits if you file for early retirement.

**Life Expectancy Calculator** Estimate of how long you (or your spouse) may live.

**Online Calculator** Estimate your retirement, disability, and survivors benefits.

**Quick Calculator** Estimate of your benefits in today's dollars or future dollars when you input your date of birth and this year's earnings. The estimate does not include WEP reduction.

<https://www.ssa.gov/planners/calculators/>

# Full Retirement Age

Full retirement age is the age at which a person may first become entitled to full or unreduced retirement benefits. No matter what your full retirement age (also called "normal retirement age") is, you may start receiving benefits as early as age 62 or as late as age 70.

## If You Retire Early

You can retire at any time between age 62 and full retirement age. However, if you start benefits early, your benefits are reduced a fraction of a percent for each month before your full retirement age.

The chart below lists age 62 reduction amounts and includes examples based on an estimated monthly benefit of \$1000 at full retirement age. **Select your year of birth** to find out how much your benefit will be reduced if you retire between age 62 and full retirement age.

## Full Retirement and Age 62 Benefit By Year Of Birth

Year of Birth <sup>1.</sup>	Full (normal) Retirement Age	Months between age 62 and full retirement age <sup>2.</sup>	At Age 62 <sup>3.</sup>			
			A \$1000 retirement benefit would be reduced to	The retirement benefit is reduced by <sup>4.</sup>	A \$500 spouse's benefit would be reduced to	The spouse's benefit is reduced by <sup>5.</sup>
1943-1954	66	48	\$750	25.00%	\$350	30.00%
1955	66 and 2 months	50	\$741	25.83%	\$345	30.83%
1956	66 and 4 months	52	\$733	26.67%	\$341	31.67%
1957	66 and 6 months	54	\$725	27.50%	\$337	32.50%
1958	66 and 8 months	56	\$716	28.33%	\$333	33.33%
1959	66 and 10 months	58	\$708	29.17%	\$329	34.17%
1960 and later	67	60	\$700	30.00%	\$325	35.00%

1. If you were born on January 1<sup>st</sup>, you should refer to the previous year.
2. If you were born on the 1<sup>st</sup> of the month, we figure your benefit (and your full retirement age) as if your birthday was in the previous month. If you were born on January 1<sup>st</sup>, we figure your benefit (and your full retirement age) as if your birthday was in December of the previous year.
3. You must be at least 62 for the entire month to receive benefits.
4. Percentages are approximate due to rounding.
5. The maximum benefit for the spouse is 50 percent of the benefit the worker would receive at full retirement age. The percent reduction for the spouse should be applied after the automatic 50 percent reduction. Percentages are approximate due to rounding.

<https://www.ssa.gov/planners/retire/agereduction.html>



# When to Start Receiving Retirement Benefits

At Social Security, we're often asked, "What's the best age to start receiving retirement benefits?" The answer is that there's not a single "best age" for everyone and, ultimately, it's your choice. The most important thing is to make an informed decision. Base your decision about when to apply for benefits on your individual and family circumstances. We hope the following information will help you understand how Social Security fits into your retirement decision.

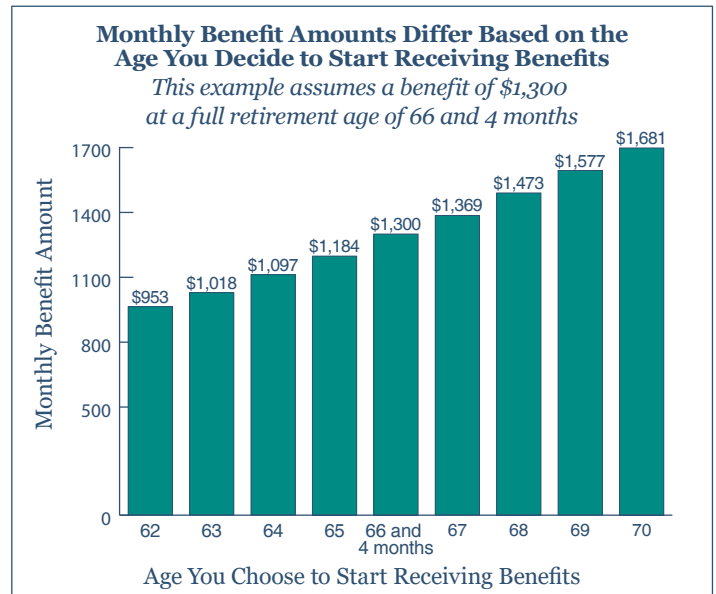
## Your decision is a personal one

Would it be better for you to start getting benefits early with a smaller monthly amount for more years, or wait for a larger monthly payment over a shorter timeframe? The answer is personal and depends on several factors, such as your current cash needs, your current health, and family longevity. Also, consider if you plan to work in retirement and if you have other sources of retirement income. You must also study your future financial needs and obligations, and calculate your future Social Security benefit. We hope you'll weigh all the facts carefully before making the crucial decision about when to begin receiving Social Security benefits. This decision affects the monthly benefit you will receive for the rest of your life, and may affect benefit protection for your survivors.

## Your monthly retirement benefit will be higher if you delay starting it

Your full retirement age varies based on the year you were born. You can visit [www.socialsecurity.gov/planners/retire/ageincrease.html](http://www.socialsecurity.gov/planners/retire/ageincrease.html) to find your full retirement age. We calculate your basic Social Security benefit — the amount you would receive at your full retirement age — based on your lifetime earnings. However, the actual amount you receive each month depends on when you start receiving benefits. You can start your retirement benefit at any point from age 62 up until age 70, and your benefit will be higher the longer you delay starting it. This adjustment is usually permanent: it sets the base for the benefits you'll get for the rest of your life. You'll get annual cost-of-living adjustments and, depending on your work history, may receive higher benefits if you continue to work.

The following chart shows an example of how your monthly benefit increases if you delay when you start receiving benefits.



Let's say you turn 62 in 2018, your full retirement age is 66 and 4 months, and your monthly benefit starting at full retirement age is \$1,300. If you start getting benefits at age 62, we'll reduce your monthly benefit 26.7 percent to \$953 to account for the longer time you receive benefits. This decrease is usually permanent.

If you choose to delay getting benefits until age 70, you would increase your monthly benefit to \$1,681. This increase is the result of delayed retirement credits you earn for your decision to postpone receiving benefits past your full retirement age. The benefit at age 70 in this example is 76 percent more than the benefit you would receive each month if you start getting benefits at age 62 — a difference of \$728 each month.

## Retirement may be longer than you think

When thinking about retirement, be sure to plan for the long term. Many of us will live much longer than the "average" retiree, and most women live longer than men. About one out of every three 65-year-olds today will live until at least age 90, and one out of seven will live until at least age 95. Social Security benefits, which last as long as you live, provide valuable protection against outliving savings and other sources

of retirement income. Again, you'll want to choose a retirement age based on your circumstances so you'll have enough Social Security income to complement your other sources of retirement income.

## Married couples have two lives to plan for

Your spouse may be eligible for a benefit based on your work record, and it's important to consider Social Security protection for widowed spouses. After all, married couples at age 65 today would typically have at least a 50-50 chance that one member of the couple will live beyond age 90. If you are the higher earner, and you delay starting your retirement benefit, it will result in higher monthly benefits for the rest of your life and higher survivor protection for your spouse, if you die first.

When you are receiving retirement benefits, your children can also be eligible for a benefit on your work record if they're under age 18 or if they have a disability that began before age 22.

## You can keep working

When you reach your full retirement age, you can work and earn as much as you want and still get your full Social Security benefit payment. If you're younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

This doesn't mean you must try to limit your earnings. If we withhold some of your benefits because you continue to work, we'll pay you a higher monthly benefit when you reach your full retirement age. So, if you work and earn more than the exempt amount, it won't, on average, decrease the total value of your lifetime benefits from Social Security — and can increase them.

Here is how this works: When you reach full retirement age, we'll recalculate your benefit to give you credit for months you didn't get a benefit because of your earnings. In addition, as long as you continue to work and receive benefits, we'll check your record every year to see whether the extra earnings will increase your monthly benefit.

## Don't forget Medicare

If you plan to delay receiving benefits because you're working, you'll still need to sign up for Medicare three months before reaching age 65. If you don't enroll in Medicare medical insurance or prescription drug coverage when you're first eligible, it can be delayed,

and you may have to pay a late enrollment penalty for as long as you have coverage. You can find more detailed information about Medicare on our website at [www.socialsecurity.gov/medicare](http://www.socialsecurity.gov/medicare).

## More resources

You can estimate benefit amounts and find more information to help you decide when to start receiving retirement benefits by using our benefits planners at [www.socialsecurity.gov/planners](http://www.socialsecurity.gov/planners). You can also use our *Retirement Estimator* at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator), or create a *my* Social Security account and get your *Social Security Statement* at [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount). Both tools provide retirement benefit estimates based on your actual earnings record.

When you're ready for benefits, you can also apply online at [www.socialsecurity.gov/applyforbenefits](http://www.socialsecurity.gov/applyforbenefits). If you want more information about how your earnings affect your retirement benefits, read *How Work Affects Your Benefits* (Publication No. 05-10069). This pamphlet has the current annual and monthly earnings limits.

## Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement SSA-1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you



Securing today  
and tomorrow

Social Security Administration  
Publication No. 05-10147 | ICN 480136 | Unit of Issue — HD (one hundred)  
January 2018 (Recycle prior editions)  
When to Start Receiving Retirement Benefits  
Produced and published at U.S. taxpayer expense



## Social Security for Divorced Couples

A divorce can raise many financial uncertainties, and Social Security benefits offer stability for many. Social Security benefits are provided to ex-spouses, regardless of their work record, as long as they meet a few rules.

If you collect benefits based on your ex-spouse's work record, it will not reduce or affect your ex-spouse's benefit in any way.

### Rules of Eligibility

You can receive Social Security benefits based on your ex-spouse's work record, even if he or she remarried, if all of the following rules are met:

- Your ex-spouse is entitled to Social Security benefits.** If your ex-spouse worked for 10 years or more, then he or she is eligible to receive retirement benefits as early as age 62. If your ex-spouse is receiving Social Security disability benefits, you may also qualify for benefits.
- Your marriage lasted at least 10 years.**
- You are age 62 or older.**
- You are not married.**
- Your own Social Security retirement benefits are lower.** The benefit you are entitled to receive based on your own work record is less than the benefit you would receive based on your ex-spouse's work record.

You can receive divorced spouse benefits before your ex-spouse applies for Social Security. Both you and your ex-spouse have to meet the outlined rules and have been divorced for at least two years.

### Exceptions to the Rules:

The Social Security Administration recognizes that there are special circumstances in which the rules may not apply. Here are some exceptions to the rules:

- Your marriage didn't last for at least 10 years.** The 10-year rule doesn't apply if you are caring for a child under the age of 16 or a disabled child who is receiving benefits based on your former spouse's work record. However, the child has to be your ex-spouse's natural or legally adopted child.
- You are under age 62.** If you are not working and are caring for your ex-spouse's child (who also is your natural or legally adopted child and who is younger than 16 or disabled and entitled to benefits), then you may claim at any age. Your benefits will continue until the child reaches age 16 or is no longer disabled.
- You have remarried.** If you remarry you generally can't collect your ex-spouse's Social Security benefits unless your current marriage ends as a result of death, divorce or annulment. If your ex-spouse is deceased and you remarry after age 60 (or age 50 if you're disabled), you may still be eligible for a benefit under your ex-spouse's work record.

If your ex-spouse had numerous marriages, any of his ex-spouses who had been married to him for at least 10 years is entitled to receive benefits based on his work record. This will not affect your ex-spouse's benefits.

## Ex-Spousal Benefits

If divorced, you may be able to claim Social Security benefits based on your own work record, or collect a “spousal benefit” that may provide you up to 50 percent of your ex-spouse’s Social Security benefit. If you are eligible for both benefits you will receive whichever is higher. You will receive the maximum spousal benefit, 50 percent of your ex-spouse’s benefit, if you wait until you reach your full retirement age.

## Survivor Benefits

If your ex-spouse is deceased, you may still be able to collect benefits based on your ex-spouse’s work record under the following rules:

- ❑ You must be age 60 (age 50 if you’re disabled).
- ❑ If you remarry before you reach age 60 (or age 50 if disabled), you cannot receive survivor benefits as long as that marriage remains in effect.
- ❑ If you remarry after you reach age 60 (or age 50 if disabled), you will continue to receive benefits on your deceased ex-spouse’s work record. However, if

your current spouse is a Social Security beneficiary, you should apply for a spousal benefit on his or her record if it would be larger than your survivor’s benefit. You can get the higher of the benefits but you cannot get both.

## Make the Most of Your Benefits

Since Social Security is a guaranteed, life-long source of retirement security income, maximizing the amount you receive is important, especially if you are divorced. While it is tempting to start collecting benefits as soon as you can, delaying claiming will mean more money for you each month when you eventually start collecting.

## Applying for Benefits Early

If you decide to claim benefits on your ex-spouse’s record before you reach full retirement age, your monthly benefit amount will be permanently reduced. If you wait until you reach full retirement age, you will receive the maximum benefit, which is either 50 percent of the amount your ex-spouse is entitled to receive at his or her full retirement age or 100 percent of your own benefit.

**Example:** Mary is 62 and has been divorced for three years. She knows that her ex-husband is receiving \$1,000 a month in Social Security benefits. Mary estimates that even half of his benefit is significantly greater than retirement benefits based on her own work record. To help her decide when to claim benefits on her ex-spouse’s record, she compared what her benefits would be the longer she waited.

Mary’s Age	Percent of ex-spouse’s benefit	Mary’s monthly ex-spouse benefit
66	50%	\$500
65	46%	\$460
64	42%	\$420
63	37.5%	\$375
62	35%	\$350

Mary, who is in good health and has saved well, decided not to claim at age 62. She will reevaluate her situation each year and aim to wait until age 66.

## Waiting to Claim Can Offer You a Choice

If you are eligible for benefits on your own work record and **you have reached full retirement age**, you have an **important choice to make!**

You can choose to either claim your own benefit or delay taking yours and claim half of your ex-spouse's benefit. Choosing to collect half of your ex-spouse's benefit first, while delaying claiming your own until age 70, will increase the amount of benefits you will eventually receive. It will allow you to continue to earn delayed retirement credits and at the same time collect Social Security based on your ex-spouse's work record. At age 70, when you have earned the maximum benefit based on your work record (assuming it will be higher than the benefit you are receiving based on your ex-spouse's work record) you can switch to your own benefit.

**Example:** Karen is 66 years old and has been divorced for five years. She is eligible for \$1,000 a month in Social Security benefits based on her work record. Karen is also eligible to get \$900 a month from her ex-husband's benefits, which is half of his \$1,800 monthly benefit. Now, Karen has to decide which option will provide her with the highest monthly benefit for the rest of her life.

Karen knows that if she is able to delay taking her individual benefit, it will continue to grow. Therefore, Karen elects to claim only her spousal benefit on her ex-husband's record - \$900 - even though it's slightly less than her own benefit. She will then allow her own benefit to grow until age 70 and switch to her own benefit at that time, which will have increased from \$1,000 to \$1,320.

If you were born in 1943 or later, your benefits will increase 8 percent for each year you delay collecting beyond your full retirement age, up until age 70. That's an excellent guaranteed return that may bring additional financial peace of mind.

## Check the Facts

Getting information on how much your Social Security benefits will be is as simple as making a phone call to the Social Security Administration at **1-800-772-1213** or visiting one of the local offices. Check **[www.ssa.gov/locator](http://www.ssa.gov/locator)** for a list of offices near you. The Social Security Administration will be able to give you an estimate on the benefits you may receive as a divorced spouse or a surviving divorced spouse, as well as on your own earned benefit. If you don't have a good relationship with your ex-spouse, don't worry. You don't have to get his or her permission or approval to collect benefits. Nor will Social Security inform your ex-spouse that you are getting the benefit, as it does not impact his or her own monthly benefits.

When applying for Social Security benefits as a divorced spouse, you may be asked to submit copies of identifying documents. Here's a list of what you may need:

- Birth certificate or other proof of birth;
- Naturalization papers;
- U.S. military discharge papers;
- W-2 forms(s) and/or self-employment tax returns for last year;
- Final divorce decree, if applying as a divorced spouse; and
- Marriage certificate.



## Your To Do List:

- ❑ Gather documents, including your Social Security card, marriage certificate and divorce decree.
- ❑ Contact the Social Security Administration at **1-800-772-1213** to determine how much in benefits you are eligible for on your own record and on your ex-spouse's record.
- ❑ Calculate how much you'll get by claiming based on your ex-spouse's work record and delaying collecting your own. AARP's Social Security Benefits Calculator can help you look at the numbers: **[www.aarp.org/socialsecuritybenefits](http://www.aarp.org/socialsecuritybenefits)**.
- ❑ Create a plan to reach your retirement goals, whether it means learning new skills to stay employed longer, saving more money for retirement or possibly downsizing. AARP's *Ready for Retirement? Tools to Achieve Peace of Mind<sup>SM</sup>* can help you get started: **[www.aarp.org/readyforretirement](http://www.aarp.org/readyforretirement)**.
- ❑ Contact the Social Security Administration at **1-800-772-1213** or **[www.ssa.gov](http://www.ssa.gov)** when you decide to claim or for additional questions.



Financial Security  
601 E Street NW  
Washington, DC 20049

**[www.aarp.org](http://www.aarp.org)**



## Checklist For Online Medicare, Retirement, and Spouses Applications

This checklist will help you gather the information you may need to complete the online Medicare, Retirement, and Spouse's applications. We recommend you print this page to use while you gather your information. We hope you find our online application easy and convenient.

Information	Medicare Only	Retirement and/or Spouses		
<b>Date and Place of Birth</b> If you were born outside the United States or its territories: <ul style="list-style-type: none"> <li>• Name of your birth country at the time of your birth (it may have a different name now)</li> <li>• Permanent Resident Card number (if you are not a U.S citizen)</li> </ul>	X	X		
<b>Medicaid (state health insurance) Number &amp; Start and End Dates</b>	X			
<b>Current Health Insurance</b> <ul style="list-style-type: none"> <li>• Employment start and end dates for the current employer (of you or your spouse) who provides your health insurance coverage through a Group Health Plan</li> <li>• Start and end dates for the Group Health Insurance provided by you (or your spouse's) current employer</li> </ul>	X			
<b>Marriage and Divorce</b> <ul style="list-style-type: none"> <li>• Name of current spouse</li> <li>• Name of prior spouse (if the marriage lasted more than 10 years or ended in death)</li> <li>• Spouse(s) date of birth and SSN (optional)</li> <li>• Beginning and ending dates of marriage(s)</li> <li>• Place of marriage(s) (city, state or country, if married outside the U.S.)</li> </ul>		X		
<b>Names and Dates of Birth of Children Who</b> <ul style="list-style-type: none"> <li>• Became disabled prior to age 22, or</li> <li>• Are under age 18 and are unmarried, or</li> <li>• Are aged 18 to 19 and still attending secondary school full time</li> </ul>		X		
<b>U.S. Military Service</b> <ul style="list-style-type: none"> <li>• Type of duty and branch</li> <li>• Service period dates</li> </ul>		X		
<b>Employer Details for Current Year and Prior 2 Years (not self-employment)</b> <ul style="list-style-type: none"> <li>• View your Social Security Statement online at <a href="http://www.socialsecurity.gov/myaccount/">http://www.socialsecurity.gov/myaccount/</a></li> <li>• Employer name</li> <li>• Employment start and end dates</li> </ul>		X		
<b>Self-Employment Details for Current Year and Prior 2 Years</b> <ul style="list-style-type: none"> <li>• View your Social Security Statement online at <a href="http://www.socialsecurity.gov/myaccount/">http://www.socialsecurity.gov/myaccount/</a></li> <li>• Business type</li> <li>• Total net income</li> </ul>		X		
<b>Direct Deposit:</b> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <b>Domestic bank (USA)</b> <ul style="list-style-type: none"> <li>• Account type and number</li> <li>• Bank routing number</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <b>International bank (non-USA)</b> <ul style="list-style-type: none"> <li>• International Direct Deposit (IDD) bank country</li> <li>• Bank name, bank code, and currency</li> <li>• Account type and number</li> <li>• Branch/transit number</li> </ul> </td> </tr> </table>	<b>Domestic bank (USA)</b> <ul style="list-style-type: none"> <li>• Account type and number</li> <li>• Bank routing number</li> </ul>	<b>International bank (non-USA)</b> <ul style="list-style-type: none"> <li>• International Direct Deposit (IDD) bank country</li> <li>• Bank name, bank code, and currency</li> <li>• Account type and number</li> <li>• Branch/transit number</li> </ul>		X
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**We may contact you for additional information after you submit your online application.**