Grace Global Alliance

An Independent Association of Christian Churches & Ministers

Social Security Overview
Tax Year 2017

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An Overview of Social Security Benefits

What Is Social Security?

Social Security is a system of social insurance benefits available to all covered workers in the United States. Begun in 1937, the Social Security system covers a wide range of social programs. The term "Social Security," as it is commonly used, refers to the benefits provided under one part of the system, known by its acronym, OASDI, or Old-Age, Survivors, and Disability Insurance.

OASDI benefits are funded primarily by payroll taxes paid by covered employees, employers, and self-employed individuals. Both the OASDI portion of the payroll tax, as well as that part of the tax that goes to finance hospital insurance, HI (Medicare), are provided for under the Federal Insurance Contributions Act, FICA.

Insured Status

To qualify for benefits, a worker must be either "fully" insured or "currently" insured. An insured status is acquired by earning "credits", based on the wages or self-employment income earned during a year. In 2017, an individual must earn $1,300 in covered earnings to receive one credit and $5,200 to earn the maximum of four credits for the year.

A worker generally becomes fully insured by earning 40 credits, typically by working 10 years in covered employment.[1] To be considered currently insured, a worker must have at least six credits in the last 13 calendar quarters, ending with the quarter in which he or she became entitled to benefits.

All benefits are available if a worker is fully insured. Some benefits are not available if the worker is only currently insured. Special requirements apply to disability benefits.

What Benefits Are Available?

- **Worker's benefit:** This is a monthly income for a retired or disabled worker.
- **Spouse's benefit:** Refers to monthly income for the spouse or former spouse of a retired or disabled worker.

[1] For those working less than 10 years, an alternative test to determine fully-insured status may apply.

- **Widow(er)'s benefit:** Refers to monthly retirement income for the surviving spouse or former spouse of a deceased worker.
- **Child's benefit:** A monthly income for the dependent child of a deceased, disabled, or retired worker. To qualify, a child must be under age 18, or 18 or 19 and a full-time elementary or high school student, or 18 or over and disabled before 22.
- **Mother's or father's benefit:** Monthly income paid to a surviving spouse who is caring for a worker's dependent child who is under age 16 or disabled before age 22. If under age 62, the spouse of a retired worker receives the same benefit.
- **Parent's benefit:** Monthly income paid to the surviving dependent parent or dependent parents of a deceased worker.

On What Is the Amount of a Social Security Benefit Based?

In general, a covered worker's benefits, and those of his or her family members, are based on the worker's earnings record. The earnings taken into account are only those reported to the Social Security Administration (SSA), up to a certain annual maximum known as the "wage base." The wage base is indexed for inflation each year and effectively places a cap on the amount of Social Security benefits a worker can receive, regardless of earnings. The wage base for 2017 is $127,200.[1]

Using a worker's earnings record, the SSA calculates a number known as the Primary Insurance Amount, or PIA. The PIA is the basic value used to determine the dollar amount of benefits available to a worker and his or her family.

What Is the Benefit Amount?

The table below summarizes the benefit amounts generally payable under OASDI in the event of a worker's death, disability, or retirement. All monthly benefit amounts are subject to reduction to meet a "family maximum" limit. Individual benefits may also be reduced if the recipient has earned income in excess of specified limits.

[1] The wage base for 2016 was $118,500.

An Overview of Social Security Benefits

	Death[1]	Disability[2]	Retirement[3]
Worker's benefit		100% of PIA	100% of PIA
Spouse's benefit	N/A	50% of PIA	50% of PIA
Widow(er)'s benefit	100% of PIA	N/A	N/A
Child's benefit	75% of PIA	50% of PIA	50% of PIA
Mother's or father's benefit	75% of PIA	50% of PIA	50% of PIA
Parent's benefit	82.5% of PIA[4]	N/A	N/A

Workers age 60 or older and who are not receiving Social Security benefits automatically receive a paper Social Security Statement each year, listing the worker's earnings as well as providing estimated retirement, disability, and survivors benefits. Workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 who are not receiving Social Security benefits and who are not registered for an online Social Security account (*My* Social Security) will receive a paper statement in the mail approximately three months before their birthday.

Earnings information may also be verified by calling the SSA directly at (800) 772-1213; TTY (800) 325-0778, Monday through Friday, 7:00AM to 7:00PM. On the internet, the SSA can be found at http:www.ssa.gov/.

[1] Reduced widow(er)'s benefits are available at age 60.

[2] Disability benefits are subject to a very strict definition of disability. At full retirement age (FRA), disability benefits cease and retirement benefits begin.

[3] Unreduced benefits are available at FRA. For those born before 1938, FRA is age 65. For individuals born after 1937, FRA gradually increases from age 65 to age 67. For example, for baby boomers born between 1943 -1954, FRA is age 66. A larger retirement benefit is available to those who continue to work past FRA.

[4] If one parent qualifies, the benefit is 82.5% of the PIA. If both parents qualify, the benefit is 75% of the PIA to each.

Social Security Retirement Benefits

One of the original motivations for the Social Security system was the need to provide income for retired workers. Today, the retirement benefits available through Social Security provide income not only to retired workers, but to qualifying dependents as well.

Qualifying For Retirement Benefits

To qualify for Social Security retirement benefits, a worker must meet two primary requirements:

- **Fully insured:** To be "fully" insured, a worker must have earned 40 Social Security "credits," generally by working 10 years in "covered" employment.[1] In 2017, an individual must earn $1,300 in covered earnings to receive one credit and $5,200 to earn the maximum of four credits for the year.
- **Age:** Be at least age 62.

Primary Insurance Amount

In general, Social Security benefit amounts are based on the worker's lifetime earnings record. Using this earnings record, the Social Security Administration (SSA) calculates a number known as the "Primary Insurance Amount," or PIA. The PIA is the basic value used to determine the dollar amount of benefits payable.

When to Take Social Security Retirement Benefits?

Once retirement payments begin, the benefit amount generally does not change, except for annual "cost-of-living" adjustments. Thus, the decision as to when to begin to take Social Security retirement benefits is a key one. Full Social Security retirement benefits are paid at "full retirement age" (FRA).[2] A worker who elects to receive Social Security retirement benefits at his or her FRA can expect to receive 100% of the PIA. For those born in 1937 or earlier, FRA is age 65. For those born after 1937, FRA gradually increases until it reaches age 67 for those born in 1960 and later.

[1] Wages or self-employment income where the earnings are subject to Social Security tax (OASDI) and the Medicare (HI) tax. For those working less than 10 years, an alternative test to determine fully-insured status may apply.

[2] "Full" retirement age is also referred to as "normal" retirement age, or NRA.

- **Early retirement (less):** Reduced retirement benefits may begin as early as age 62. For each month (up to 36 months) that a worker is under FRA, benefits are reduced by 5/9 of 1% of the PIA. For each month in excess of 36 months, benefits are reduced an additional 5/12 of 1% of the PIA.

- **Delayed retirement (more):** A worker who delays receiving retirement benefits beyond FRA can receive a larger benefit. For each year of delay up to age 70, the benefit is increased by a specific percentage of the PIA. The amount of extra credit for each year of delay will vary depending on the year of birth. No additional credit is given for delaying receipt of benefits past age 70.

Retirement Benefits for Family Members

Other individuals may receive retirement benefits based on a worker's account:

- **Spouse's benefit:** Beginning at age 62 (or younger, if caring for a child described below), a spouse is eligible for a retirement benefit based on the worker's earnings record. The spouse's benefit is generally equal to 50% of the worker's PIA, at the spouse's FRA. Unless the spouse is caring for a child, the benefit amount is reduced if the spouse begins receiving benefits before FRA. If the spouse is entitled to a larger benefit based on his or her own work record, the larger benefit is paid.

- **Child:** A monthly retirement benefit is available to a dependent child. For this purpose, a child must be under age 18, or age 18 or 19 and a full-time elementary or high school student, or 18 or over and disabled before age 22, and unmarried. The benefit is equal to 50% of the worker's PIA.

- **Divorced spouse:** If a prior marriage lasted at least 10 years, at age 62 a divorced spouse may be entitled to retirement benefits based on the worker's record. Generally, the retirement benefit amount is 50% of the worker's PIA. The divorced spouse must not be married and benefits are reduced for early retirement.

Maximum Family Benefit

If the total benefits payable based on a retired worker's Social Security account exceed certain limits (which change each year) the individual dollar amounts for a spouse and any dependent children are proportionately reduced to bring the total within the family maximum limit.[1] Neither the worker's benefit amount nor any benefit payable to a divorced spouse is reduced because of the family maximum limit.

Federal Income Taxation of Social Security Benefits

Under federal income tax law, Social Security benefits may be subject to income tax. If one-half of Social Security benefits plus "modified adjusted gross income" (often the same as adjusted gross income) exceed a specified threshold, then a portion (up to 85%) of social security benefits is taxable. For married couples filing jointly this threshold is $32,000; for most others it is $25,000.[2] State or local income tax treatment of Social Security benefits can vary.

Reduced Benefits Because of Excess Earnings

If an individual begins receiving retirement benefits before reaching FRA, and also works, the retirement benefit will be temporarily reduced if earnings exceed certain limits. For this purpose, "earnings" generally include wages received as an employee or the net income received from self-employment. The reduction amount is calculated on a monthly basis and varies depending on the individual's current age in relation to his or her FRA.

- **Under FRA:** One dollar of benefits is lost for every two dollars earned over an annual total of $16,920 ($1,410 monthly).[3]
- **The year FRA is reached:** One dollar of benefits is lost for every three dollars earned over $44,880 ($3,740 monthly).[3]
- **At FRA:** Once FRA is reached, there is no reduction in an individual's benefit, regardless of how much is earned. Any benefits that were withheld earlier because of excess earnings are credited to the individual's account, resulting in a larger retirement benefit beginning at FRA.
- **Special rule for the first year of retirement:** A special rule applies to the first year of retirement, to benefit an individual who, before just retiring, earns more than the

[1] The family maximum benefit is based on a formula and ranges from 150% to 180% of the worker's benefit.
[2] The threshold is $0 for those who are married filing separately and who lived with their spouse any time during the year.
[3] 2017 values. These "exempt" amounts are subject to adjustment for inflation each calendar year.

annual limit. Under this rule, unreduced Social Security benefits are paid for any month after benefits begin that an individual does not earn more than the monthly exempt wage amount.

Verifying Social Security Records

Because Social Security benefits are based on a worker's lifetime earnings history, it is important to insure that all covered earnings are accurately listed on SSA records. There are several ways to do this:

- **Paper statements:** Workers age 60 or older and who are not receiving Social Security benefits automatically receive a paper Social Security Statement each year, listing the worker's earnings as well as providing estimated retirement, disability, and survivors benefits. Workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 who are not receiving Social Security benefits and who are not registered for an online Social Security account (*My* Social Security) will receive a paper statement in the mail approximately three months before their birthday.
- **Online statements:** The same information previously provided on the paper statements is now available on an electronic statement. These electronic statements include a summary of a worker's earnings, as well as providing estimated retirement, disability, and survivor's benefits. To obtain a statement, an individual will need to create an account on the Social Security website at http://www.ssa.gov/myaccount. Each person who wishes to sign up must be at least age 18 and have a valid Social security number, e-mail address, and United States mailing address.
- **Telephone:** Earnings information may also be verified by calling the SSA directly at (800) 772-1213; TTY (800) 325-0778, Monday through Friday, from 7:00AM to 7:00PM.

Estimating Social Security Retirement Benefits

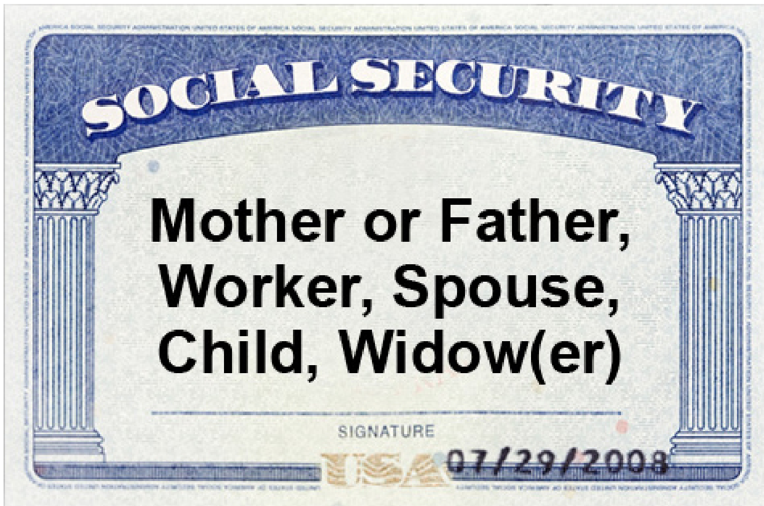
The Social Security administration, on its website, offers a calculator which allows an individual to estimate his or her retirement benefits, using the individual's own earnings history, taken directly from Social Security records. This calculator can be reached at: http://www.ssa.gov/planners/

Seek Professional Guidance

For many Americans, the retirement benefits provided by Social Security form an important part of their retirement income. A qualified financial professional can answer many Social Security questions. Social Security questions can also be answered by contacting the SSA.

Who Receives Social Security Benefits?

Social Security, also known by its acronym OASDI, or "Old Age, Survivors, and Disability Insurance", pays benefits to many individuals.



Who Receives Benefits?

- **Worker's benefit:** A monthly income for a retired or disabled worker.
- **Spouse's benefit:** Monthly income for the spouse or former spouse of a retired or disabled worker.
- **Widow(er)'s benefit:** Monthly retirement income for the surviving spouse or former spouse of a deceased worker.
- **Child's benefit:** Monthly income for the dependent child of a deceased, disabled or retired worker. To receive benefits, the child must be under age 18, over age 18 and attending elementary or high school full-time, or over age 18 and disabled before age 22.
- **Mother's or father's benefit:** Monthly income paid to a surviving spouse who is caring for a worker's dependent child who is under age 16 or disabled before age 22. If under age 62, the spouse of a retired worker receives the same benefit.
- **Parent's benefit:** Monthly income paid to the surviving dependent parent or parents of a deceased worker.

When to Take Social Security Retirement Benefits

Research by the Federal government indicates that Social Security retirement benefits typically make up almost one-third of the income of Americans age 65 or older.[1] Thus, the decision as to when to begin to take Social Security retirement benefits is an important one. Once you decide to begin receiving Social Security retirement benefits, the initial benefit will generally serve as the "base" amount for the rest of your life, subject only to adjustment for increases in the cost of living.

The question is made a little easier to answer if you separate when you want to retire from when you want to begin receiving Social Security retirement benefits; these two events don't necessarily have to occur at the same time. An understanding of how your benefits are calculated, how they are taxed, and what happens if you continue to work after beginning to receive benefits, is also important.

"Full" Retirement Age – "Full" Benefits

For many years, full retirement age (FRA), the age at which "full" benefits – 100% of an individual's Primary Insurance Amount[2] (PIA) – are available was set at age 65. This is still true for those born in 1937 or earlier. However, for those born in 1938 or later, FRA gradually increases until it reaches age 67 for those born in 1960 or later.

Early Retirement – Reduced Benefits

Age 62 is generally the earliest age that someone can begin to receive Social Security retirement benefits. However, if retirement benefits begin before the "full" retirement age, the benefit paid is reduced to reflect the income that will be paid over a longer period of time. The amount of the reduction varies with the year of birth. For example, an individual born in 1937 (FRA = age 65) who began receiving benefits at age 62 had his or her retirement benefit reduced to 80% of what it would have been had they chosen to wait until FRA. However, for a worker born in 1962, for whom FRA is age 67, choosing to receive retirement benefits at age 62 results in an initial benefit reduced to 70% of what it would have been had the individual waited to age 67.

[1] See: "Income of the Aged Chartbook, 2014." Social Security Administration, April 2016, page 16.

[2] The PIA is calculated by the Social Security Administration based on a person's lifetime earnings record.

When to Take Social Security Retirement Benefits

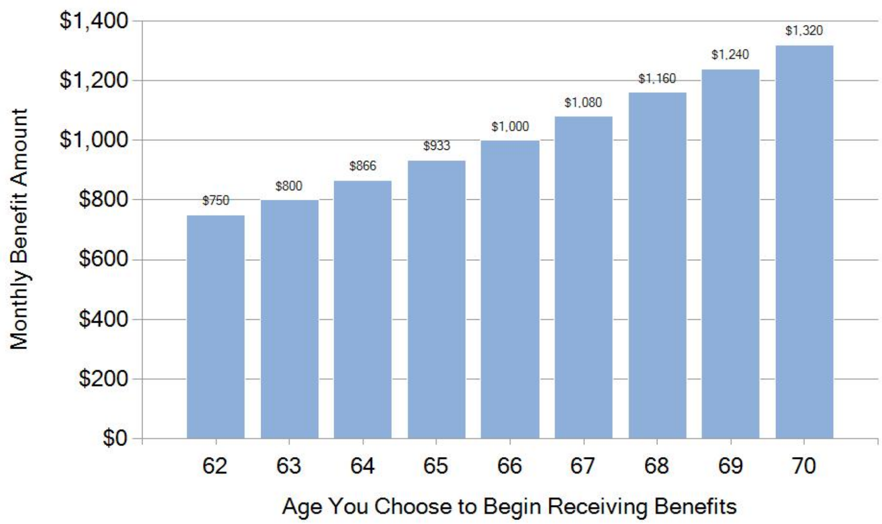
Delay Retirement – A Bigger Benefit

What happens if you decide to wait and take your retirement benefits later than your FRA? You get paid for waiting, in the form of a larger retirement benefit. For each year beyond your FRA that you delay receiving retirement benefits, up to age 70, your benefit is increased by a specified percentage of the PIA. The amount of the credit for each year of delay beyond FRA will vary depending on the year of birth. For example, an individual born in 1935 who delayed receiving benefits until age 70 had his or her benefit increased by 6% for each year (five years in this case) beyond the FRA of age 65. For those born in 1943 and later, delaying retirement increases their benefit by 8% per year for each year they wait beyond their FRA.

Which Is Better? – Early or Late?

One way to answer this question is to perform a "break-even" analysis which estimates the age at which the total value of higher benefits (from delaying retirement) is greater than the total value of lower benefits (from starting retirement early).

If you expect to live longer than this break-even age you would likely benefit from delaying the start of Social Security retirement benefits. If you are in poor health, or if members of your family tend to die at relatively young ages, you will likely receive a greater benefit by beginning your benefits early.



This example assumes a monthly benefit of $1,000 at a full retirement age of 66.

When to Take Social Security Retirement Benefits

Federal Income Taxation of Social Security Benefits

Under federal law, Social Security benefits may be subject to income tax. If one-half of your Social Security benefits plus your "modified adjusted gross income" (often the same as adjusted gross income) exceed certain limits, then a portion (up to 85%) of your benefits is taxable. For married couples filing jointly this threshold is $32,000; for all others it is $25,000.[1] State or local tax treatment of Social Security benefits can vary.

If You Continue Working

If you begin taking Social Security retirement benefits early and also continue working, your retirement payments will be temporarily reduced if your earnings exceed certain limits. For this purpose, "earnings" generally include wages received as an employee or the net income received from self-employment. The amount of the reduction will vary:

- **Under FRA:** One dollar of benefits is lost for every two dollars you earn over $16,920 ($1,410 monthly).[2]
- **The year you reach FRA:** One dollar of benefits is lost for every three dollars you earn over $44,880 ($3,740 monthly).[2]

Once you reach FRA there is no reduction in your retirement benefits, regardless of how much you earn.

Seek Professional Guidance

The decision as to when to take Social Security retirement benefits is an important one. A wrong decision can cost a retiree literally thousands of dollars. The guidance of financial professionals, to insure that all relevant issues are considered, is highly recommended.

[1] The threshold is $0 for those who are married filing separately and who lived with their spouse at any time during the year.
[2] 2017 values. These "exempt amounts" are subject to adjustment for inflation each calendar year.

Early or Delayed Retirement's Effect on Social Security Benefits

Full retirement age (FRA) is the age at which "full" Social Security retirement benefits – 100% of an individual's Primary Insurance Amount (PIA)[1] – are available. For many years, FRA was set at age 65. Beginning with individuals born in 1938, FRA gradually increases until it reaches age 67 for those born in 1960 or later.

If an individual chooses to receive retirement benefits before his or her FRA, the benefit paid is reduced to reflect the fact that income will be paid over a longer period of time. Similarly, if an individual chooses to delay retirement benefits, the benefit is increased for each year of delay (up to age 70) beyond FRA. The table below shows the effect of early or delayed retirement on an individual's retirement benefit, depending on the year of birth.

Retirement Benefit as a Percentage of the Primary Insurance Amount at Various Ages[2]

Year of Birth	Full Retirement Age (FRA)	Credit for each year of delayed retirement after FRA (Percent)	Benefit as a % of PIA at Age						
			62	63	64	65	66	67	70
1924	65	3	80	86 2/3	93 1/3	100	103	106	115
1925-1926	65	3½	80	86 2/3	93 1/3	100	103½	107	117½
1927-1928	65	4	80	86 2/3	93 1/3	100	104	108	120
1929-1930	65	4½	80	86 2/3	93 1/3	100	104½	109	122½
1931-1932	65	5	80	86 2/3	93 1/3	100	105	110	125
1933-1934	65	5½	80	86 2/3	93 1/3	100	105½	111	127½

[1] The PIA is calculated by the Social Security Administration based on a person's lifetime earnings record.

[2] Source: Social Security Administration.

Early or Delayed Retirement's Effect on Social Security Benefits

Retirement Benefit as a Percentage of the Primary Insurance Amount at Various Ages[1]									
Year of Birth	Full Retirement Age (FRA)	Credit for each year of delayed retirement after FRA (Percent)	Benefit as a % of PIA at Age						
			62	63	64	65	66	67	70
1935-1936	65	6	80	$86^{2}/_{3}$	$93^{1}/_{3}$	100	106	112	130
1937	65	6½	80	$86^{2}/_{3}$	$93^{1}/_{3}$	100	106½	113	132½
1938	65, 2 mos	6½	$79^{1}/_{6}$	$85^{5}/_{9}$	$92^{2}/_{9}$	$98^{8}/_{9}$	$105^{5}/_{12}$	$111^{11}/_{12}$	$131^{5}/_{12}$
1939	65, 4 mos	7	$78^{1}/_{3}$	$84^{4}/_{9}$	$91^{1}/_{9}$	$97^{7}/_{9}$	$104^{2}/_{3}$	$111^{2}/_{3}$	$132^{2}/_{3}$
1940	65, 6 mos	7	77½	$83^{1}/_{3}$	90	$96^{2}/_{3}$	103½	110½	131½
1941	65, 8 mos	7½	$76^{2}/_{3}$	$82^{2}/_{9}$	$88^{8}/_{9}$	$95^{5}/_{9}$	102½	110	132½
1942	65, 10 mos	7½	$75^{5}/_{6}$	$81^{1}/_{9}$	$87^{7}/_{9}$	$94^{4}/_{9}$	101¼	108¾	131¼
1943-1954	66	8	75	80	$86^{2}/_{3}$	$93^{1}/_{3}$	100	108	132
1955	66, 2 mos	8	$74^{1}/_{6}$	$79^{1}/_{6}$	$85^{5}/_{9}$	$92^{2}/_{9}$	$98^{8}/_{9}$	$106^{2}/_{3}$	$130^{2}/_{3}$
1956	66, 4 mos	8	$73^{1}/_{3}$	$78^{1}/_{3}$	$84^{4}/_{9}$	$91^{1}/_{9}$	$97^{7}/_{9}$	$105^{1}/_{3}$	$129^{1}/_{3}$
1957	66, 6 mos	8	72½	77½	$83^{1}/_{3}$	90	$96^{2}/_{3}$	104	128
1958	66, 8 mos	8	$71^{2}/_{3}$	$76^{2}/_{3}$	$82^{2}/_{9}$	$88^{8}/_{9}$	$95^{5}/_{9}$	$102^{2}/_{3}$	$126^{2}/_{3}$
1959	66, 10 mos	8	$70^{5}/_{6}$	$75^{5}/_{6}$	$81^{1}/_{9}$	$87^{7}/_{9}$	$94^{4}/_{9}$	$101^{1}/_{3}$	$125^{1}/_{3}$
1960 and later	67	8	70	75	80	$86^{2}/_{3}$	$93^{1}/_{3}$	100	124

[1] Source: Social Security Administration.

Social Security Retirement Claiming Strategies for Married Couples

For many Americans, Social Security benefits are an important source of retirement income. How *much* a retiree receives each month from Social Security is affected by a number of factors, including the retiree's lifetime earnings history, the age at which he or she applies for benefits, and whether more than one type of benefit may be available.

Carefully choosing when and how to claim Social Security retirement benefits can significantly increase the total dollar amount of benefits received. For an unmarried individual, deciding when to claim Social Security retirement benefits is relatively straightforward. For married couples, however, it is a more involved decision.

Basic Ground Rules for Claiming Retirement Benefits

Birth Year	FRA
1943-1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 and Later	67

- Primary Insurance Amount: All Social Security benefits are based on a worker's lifetime earnings record. Higher lifetime earnings generally result in higher benefits. Based on the earnings record, the Social Security Administration calculates an amount, called the "Primary Insurance Amount," (PIA). The PIA is the basic value upon which all of the worker's (and dependent's) benefits are based.

- Full retirement age: For many years, the "full" retirement age (FRA), the age at which "full" benefits -100% of an individual's PIA - are available, was age 65. However, for those born in 1938 or later, FRA has gradually been increasing. It is scheduled to reach age 67 for those born in 1960 or later.

- Early retirement = reduced benefits: Age 62 is generally the earliest age that someone can begin to receive Social Security retirement benefits. However, if retirement benefits begin before an individual's FRA is reached, the benefit paid is reduced to reflect the fact that income will be paid over a longer period of time. An individual's PIA is reduced by 5/9 of 1% for each month, up to 36 months, that the individual applies before FRA. If the individual applies for benefits more than 36 months before FRA, an additional reduction of 5/12 of 1% is applied for each month in excess of 36.

- Delayed retirement = a bigger benefit: If an individual delays applying for retirement to FRA or beyond, the benefit is increased. For those born in 1943 or later, delaying retirement increases the benefit by 8% of the full PIA for each full year they wait beyond FRA. The maximum delayed credit is reached at age 70.

- Working and receiving benefits simultaneously: Individuals under FRA, who are both working and receiving Social Security benefits, are subject to certain earnings limitations. Once these limitations are exceeded, a recipient's Social Security benefits are reduced. For 2017, for those under FRA, benefits are reduced by one dollar for every two dollars in excess of $16,920. If the worker reaches FRA in 2017, benefits are reduced by one dollar for every three dollars of earnings in excess of $44,880. At FRA, these "lost" benefits are later partially restored through a benefit re-computation that takes into account the number of months of reduced or no benefits.

- Type of benefit available – unmarried individuals: For single individuals, deciding when to apply for retirement benefits is relatively easy; they have only the retirement benefit itself to consider. Apply early, get a reduced benefit; apply later, get a larger benefit.

A Changing World - Claiming Strategies Available to Married Couples

For married couples, the situation is more complex, for two key reasons: (1) there are several types of benefits that may possibly be claimed by spouses, and (2) the impact of major changes to Social Security law contained in the Bipartisan Budget Act of 2015, signed into law by President Obama on November 2, 2015. These legislative changes effectively ended what

Social Security Retirement Claiming Strategies for Married Couples

Congress saw as an abuse of prior Social Security law, resulting in married beneficiaries receiving more Social Security retirement income than Congress originally intended.[1] Because of this legislation, the Social Security retirement claiming strategies available to married couples have changed. Whether the new law or old law applies will depend on the ages of the spouses and the cutoff dates during a transition period provided for in the new law.

- Types of benefits available to married couples: Through April 29, 2016, there were three types of retirement benefits potentially available to certain married couples:

    1. Retirement benefit: The benefit an individual receives based on his or her own earnings record. If both spouses have worked, each may independently qualify for a retirement benefit.
    2. Spousal benefit: A benefit payable to the spouse of a retired worker. If the spouse has reached FRA, the benefit is generally 50% of the worker's PIA.
    3. Survivor's benefit: A benefit payable to a deceased worker's surviving spouse. If the survivor has reached FRA, the benefit is usually 100% of the worker's PIA.

Under prior law, the optimal Social Security retirement claiming strategy available to a married couple was usually a mix of two basic approaches: (1) File and Suspend, and; (2) Claim Now, Claim More Later. The following examples show how each of these approaches worked.

- File-and-Suspend: In the "File-and-Suspend" approach, a worker, upon reaching FRA, filed for retirement benefits and then immediately suspended their receipt.[2] This had a couple of effects:

    1. The spouse then qualified for "spousal" benefits. Social Security would compute both the spousal benefit (generally 50% of the worker's PIA) and any retirement benefit the spouse may have earned in his or her own right, and, in effect, awarded the *larger* of the two.[3] Except for cost-of-living adjustments, this benefit would continue unchanged until either the spouse or the worker died.

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[1] The section of the law that changed Social Security benefits, Section 831, is titled, "Closure of Unintended Loopholes."
[2] Under both the old and the new law, the option to file and suspend is not available until an individual reaches FRA.
[3] Benefits taken before FRA are reduced to account for the fact that they will be paid over a longer period of time.

2. The worker, by suspending receipt of benefits, would also have received an increased retirement benefit for each month of delay up to age 70. This would also have provided a larger widow(er)'s benefit (generally 100% of the deceased worker's PIA) to the spouse, assuming that: (a) the worker pre-deceased the spouse, and (b) the worker's retirement benefit was larger than the benefit the spouse was receiving at the time the worker died.

- Claim Now, Claim More Later: If the worker or spouse was at or beyond FRA, they had a choice of collecting either the spousal benefit or their own retirement benefit. Generally, this approach was used by the high-earning spouse:

    1. A low-earning spouse must have claimed his or her own retirement benefit.
    2. The high-earning spouse would do what is known as a "restricted application" where he or she would choose to receive the spousal benefit only while allowing his or her own retirement benefit to grow (via delayed retirement credits) until age 70.
    3. At 70, the high-earning spouse would then switch from spousal benefits to his or her own retirement benefit.

The Impact of the Bipartisan Budget Act of 2015

The Bipartisan Budget Act of 2015 effectively ended both the File-and-Suspend and the Claim Now, Claim More Later strategies. The major impacts of this law on Social Security include:

1. File-and-Suspend: The new legislation, effective for claims filed on or after April 30, 2016, still allows an individual to file-and-suspend, but doing so also suspends all other benefits based on the worker's record. The worker must actually *receive* his or her Social Security benefit in order for a spouse or other qualifying dependents to receive a benefit. The worker's own retirement benefit will still increase due to delayed retirement credits. Families who were already receiving benefits under this strategy, and those who file-and-suspend by April 29, 2016 (i.e. those who reached age 66 by April 29, 2016), were not affected by the new law.

2. Claim Now, Claim More Later: Under prior law, the key to this strategy turned on the ability of a spouse, once he or she reached FRA, to file a "Restricted," application for spousal benefits *only*. Under the new legislation, individuals who were *age 62 or older in 2015*[1] will still be able to file a Restricted application in the future, claim spousal benefits, and then later switch to their own (larger because of delayed retirement credits) retirement benefit. However, for those *under age 62 in 2015*, this choice is no longer available. When a spouse who is entitled to both a spousal benefit and a retirement benefit applies for benefits, Social Security will calculate both amounts and award the larger of the two. In essence, the spouse either applies for all possible benefits, or delays all possible benefits. There will no longer be a choice to claim one benefit now and a different benefit later.

3. Key points to remember:

   - Those who are already using either the File-and-Suspend or the Claim Now, Claim More Later strategies may continue to do so. The new law does not affect them.

   - April 29, 2016 was the last day for those who had reached FRA to request suspension of benefits in order to qualify a spouse or other dependents for Social Security benefits while simultaneously allowing their own retirement benefit grow due to delayed retirement credits.

   - Those who were at least age 62 in 2015 will still be able to file a "Restricted" application for spousal benefits only when they reach FRA. The last of these individuals will reach FRA in 2019.

   - Those who reach age 62 after 2015 will not be able to file a "Restricted" application, nor will they be entitled to use the File-and-Suspend strategy.

[1] Technically, an individual born on January 1, 1954, attained age 62 on December 31, 2015.

Social Security Retirement Claiming Strategies for Married Couples

Choosing Which Approach to Follow

In a shifting legal environment, and with so many variables involved, how does a married couple decide when and how to apply for Social Security retirement benefits? A good first step involves using a specialized software program. This type of computer analysis takes into account factors such as the relative ages of each spouse, their individual earnings history, an anticipated mortality age for each, and whether the old or new Social Security law applies. The end result is a theoretical "optimal" claiming strategy.

This optimal strategy, however, is often affected by real-world difficulties such as poor health (i.e. a shorter life expectancy), a need for income now, a "down" stock market, or other unexpected problems. However, understanding the claiming strategies that are available, and how to best utilize them, can help a married couple coordinate the theoretical with the real- world and maximize, to the greatest extent possible, the retirement and widow(er)'s benefits received from Social Security.

Seek Professional Guidance

The right claiming strategy for Social Security retirement benefits can make an enormous contribution to a retirement that is both secure and comfortable. Because of the complexities involved, the advice and guidance of experienced, trained financial professionals in making these decisions is strongly recommended. Social Security questions can also be answered by contacting the SSA.

Taxation of Social Security Benefits

A portion of Social Security benefits may be subject to income taxation. The following worksheet will assist in determining that tax.

1. Social Security benefits for the year $ ______________
2. 50% of line 1 ______________
3. Modified adjusted gross income:
   a. AGI less net Social Security benefits received ______________
   b. Tax-exempt interest and dividends received or accrued ______________
   c. Line 3a plus line 3b ______________
4. Provisional income (line 2 plus line 3c) ______________
5. Applicable "first-tier" threshold ______________
6. Line 4 less line 5 (not less than zero) ______________
7. 50% of line 6 ______________
8. Amount of benefits subject to tax (smaller of line 2 or line 7) ______________

If provisional income (line 4) does not exceed the corresponding first-tier threshold (line 5), no amount is taxable. However, if provisional income exceeds the corresponding threshold, continue with the worksheet below.

9. Applicable second-tier threshold[1] $ ______________
10. Line 4 minus line 9 (if less than zero then enter zero) ______________
11. 85% of line 10 ______________
12. Amount taxable under first-tier (from line 8, above) ______________
13. Applicable dollar amount[1] ______________
14. Smaller of line 12 or line 13 ______________
15. Line 11 plus line 14 ______________
16. 85% of line 1 ______________
17. Amount of benefits subject to tax (smaller of line 15 or line 16) ______________

Filing Status	First Tier Threshold (for line 5)	Second Tier Threshold(for line 9)	Applicable Dollar Amount (for line 13)
Married filing jointly	$32,000	$44,000	$6,000
Married filing separately (but lived together part of the year)	$0	$0	$0
All others	$25,000	$34,000	$4,500

Note: This is not an official IRS worksheet.

Caution: Any increase in income, such as from the sale of stock or a retirement plan distribution, may subject one to an unexpected tax on the Social Security benefits.

[1] See applicable column in table.

Social Security Survivor Benefits

While Social Security is frequently associated with retirement, it also provides benefits to qualifying survivors of deceased, insured workers.

Qualifying for Survivor Benefits

The type of survivor benefits payable by Social Security depends on whether a worker is “fully” insured or “currently” insured at the time of death.

- **Fully insured:** To be “fully” insured, a worker must have earned 40 Social Security “credits,” generally by working 10 years in “covered” employment.[1] In 2017, an individual must earn $1,300 in covered earnings to receive one credit and $5,200 to earn the maximum of four credits for the year. For a fully insured worker, survivor’s benefits may be payable to:
    - A spouse.
    - A divorced spouse.
    - A dependent child (or children).
    - A dependent parent (or parents).
- **Currently insured:** To be “currently” insured, a worker must have earned at least six Social Security “credits” during the 13-quarter period ending with the quarter in which death occurred. For a currently insured worker, survivor’s benefits may be payable to:
    - A spouse, if caring for a dependent child.
    - A divorced spouse, if caring for a dependent child.
    - A dependent child (or children).

Primary Insurance Amount

In general, Social Security benefit amounts are based on a worker’s lifetime earnings record. Using this earnings record, the Social Security Administration (SSA) calculates a number

[1] Wages or self-employment income where the earnings are subject to Social Security tax (OASDI) and the Medicare (HI) tax. For those working less than 10 years, an alternative test to determine fully-insured status may apply.

known as the "Primary Insurance Amount," or PIA. The PIA is the basic value used to determine the dollar amount of benefits payable.

Benefits for Surviving Family Members

The following benefits are payable to qualified surviving family members:

- **Mother's or Father's benefit:** This is a monthly benefit of 75% of the PIA, payable at any age, to a surviving spouse (or surviving divorced spouse), who is caring for a child of the deceased worker, under the age of 16 or disabled before age 22. The worker could have been either fully insured or currently insured at the time of death. The benefit ends when there are no children of the deceased worker under age 16 or disabled who are entitled to a child's benefit.

- **Child's benefit:** A monthly benefit equal to 75% of the deceased parent's PIA is available to a dependent child of the deceased worker. The worker could have been either fully insured or currently insured at the time of death. For this purpose, a child must be under age 18, or age 18 or 19 and a full-time elementary or high school student, or 18 or over and disabled before age 22, and unmarried. Generally, a child's benefit ends when the child dies, reaches age 18 and is neither disabled nor a full-time elementary or secondary student, or the child marries.

- **Widow(er)'s benefit:** This is a monthly benefit generally equal to 100% of the deceased worker's PIA, available to a surviving spouse or surviving divorced spouse. The deceased worker must have been fully insured at the time of death. A surviving spouse or surviving divorced spouse must be either (1) age 60 or over; or (2) at least age 50 but not age 60 and disabled, not entitled to a retirement benefit equal to or larger than the worker's PIA, and not married. In addition, a surviving spouse must have been married to the deceased worker for at least nine months just before the worker died, or fit one of a number of situations regarding being the parent of a child with the deceased worker. A surviving divorced spouse must have been married to the deceased worker for 10 years just before the date the divorce became final.

- **Parent's benefit:** Provides a monthly benefit equal to 87.5% of the deceased worker's PIA if one parent qualifies or 75% of the deceased worker's PIA to each parent, if two parents qualify. The worker must have been fully insured at the time of death. Generally, to qualify a parent must be at least age 62, must not be entitled to a retirement benefit equal to or larger than the amount of the unadjusted parent's benefit after any increase to the minimum benefit, must have been receiving at least one-half of his or her support from the deceased worker, must have filed evidence with the Social Security Administration that the support requirement was met within certain time limits,[1] and must not have remarried since the insured worker's death.
- **Lump-sum payment:** A one-time, lump-sum payment of $255 may be made to the survivors of a worker who was either fully or currently insured at the time of death. Generally, the lump-sum payment is paid to a surviving spouse, living with the deceased as husband and wife, in the same household. If there is no spouse to receive the lump-sum payment, the payment is made to a child or children of the deceased. If there is more than one child, each child is entitled to an equal share of the lump sum.

Maximum Family Benefit

If the total benefits payable based on a deceased worker's Social Security account exceed certain limits (which change each year), the individual dollar amounts for all beneficiaries (except a surviving divorced spouse) are proportionately reduced to bring the total within the family maximum limit.

Federal Income Taxation of Social Security Benefits

Under federal income tax law, Social Security benefits may be subject to income tax. If one-half of Social Security benefits plus "modified adjusted gross income" (often the same as adjusted gross income) exceed a specified threshold, then a portion (up to 85%) of social security benefits is taxable. For married couples filing jointly this threshold is $32,000; for most others it is $25,000.[2] State or local income tax treatment of Social Security benefits can vary.

[1] Generally, within two years of the deceased worker's death.

[2] The threshold is $0 for those who are married filing separately and who lived with their spouse at any time during the year.

Reduced Benefits Because of Excess Earnings

Full retirement age (FRA)[1] is the age at which an individual can receive "full" retirement benefits, e.g., 100% of the PIA. For those born in 1937 and earlier, FRA is age 65. For those born after 1937, FRA gradually increases until it reaches age 67 for those born in 1960 and later. If an individual begins receiving Social Security survivor's benefits before reaching FRA, and also works, the survivor's benefit will be temporarily reduced if earnings exceed certain limits. For this purpose, "earnings" generally include wages received as an employee or the net income received from self-employment. The amount of the reduction is calculated on a monthly basis and will vary depending on the individual's current age in relation to his or her FRA.

- **Under FRA:** One dollar of benefits is lost for every two dollars earned over an annual total of $16,920 ($1,410 monthly).[2]
- **The calendar year FRA is reached:** One dollar of benefits is lost for every three dollars earned over $44,880 ($3,740 monthly).[2]
- **At FRA:** Once FRA is reached, there is no reduction in an individual's benefit, regardless of how much is earned.

Verifying Social Security Records

Because Social Security benefits are based on a worker's lifetime earnings history, it is important to insure that all covered earnings are accurately listed on SSA records. There are several ways to do this:

- **Paper statements:** Workers age 60 or older and who are not receiving Social Security benefits automatically received a paper Social Security Statement each year. Listing the worker's earnings as well as providing estimated retirement, disability, and survivors benefits. Workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 who are not receiving Social Security benefits and who are not registered for an online Social Security account (My Social Security) will receive a paper statement in the mail

[1] FRA is also known as "normal retirement age," or NRA.

[2] 2017 values. These "exempt" amounts are subject to adjustment for inflation each calendar year.

approximately three months before their birthday.

- **Online statements:** The same information previously provided on the paper statements is now available on an electronic statement. These electronic statements include a summary of a worker's earnings, as well as providing estimated retirement, disability, and survivor's benefits. To obtain a statement, an individual will need to create an account on the Social Security website at http://www.ssa.gov/myaccount. Each person who wishes to sign up must be at least age 18 and have a valid Social Security number, e-mail address, and United States mailing address.
- **Telephone:** Earnings information may also be verified by calling the SSA directly at (800) 772-1213; TTY (800) 325-0778, Monday through Friday, from 7:00AM to 7:00PM.

Estimating Social Security Survivor Benefits

The Social Security Administration, on its website, offers a calculator which allows an individual to estimate his or her survivor benefits, using the individual's own earnings history, taken directly from Social Security records. This calculator can be reached at: http:www.ssa.gov/planners/

Seek Professional Guidance

The survivor benefits provided by Social Security can be an important lifeline for a family struggling to keep afloat after the death of a breadwinner. Meeting the many requirements to qualify for survivor benefits can be confusing. A trained financial professional can answer many Social Security questions. Questions can also be answered by directly contacting the SSA.

The Social Security “Blackout” Period

When a worker who is covered by Social Security dies, certain monthly benefits may be available to his or her survivors. Depending on the situation, these can include:

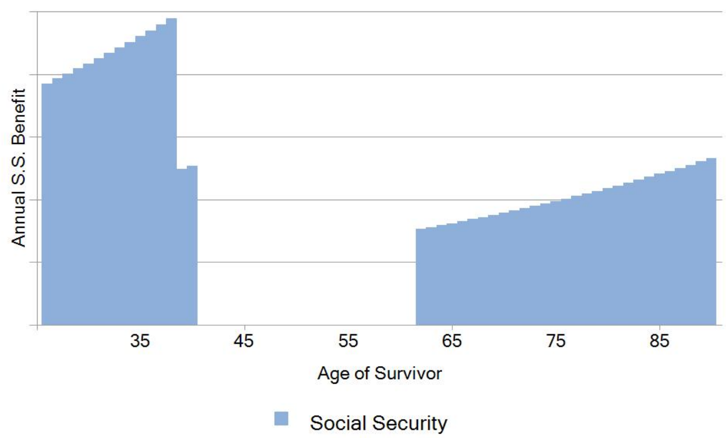
- **Mother’s or Father’s benefit:** Monthly income paid to a surviving spouse who is caring for a worker’s dependent child who is under age 16, or disabled before age 22.
- **Child’s benefit:** A monthly income for the dependent child of a deceased, disabled, or retired worker. To qualify, a child must be under age 18, or age 18 or 19 and a full-time elementary or high school student, or 18 or over and disabled before age 22.
- **Widow(er)’s benefit:** Monthly retirement income for the surviving spouse (or former spouse) of a deceased worker.
- **Parent’s benefit:** Monthly income paid to the surviving dependent parent or dependent parents of a deceased worker.

The Social Security “Blackout” Period

Social Security survivor benefits are paid only for a limited period of time. In young families with minor children, the death of one spouse leaves the surviving spouse to raise the children alone. The chart below graphs the Social Security survivor benefits typically payable in a hypothetical case in which a 26 year-old surviving spouse is left behind to raise a three year-old child.

- The surviving spouse receives a Mother’s or Father’s benefit until the child reaches age 16.
- The child receives a Child’s benefit until reaching age 18.
- At retirement, the surviving spouse receives a Widow(er)’s benefit. The earliest age that this benefit can be paid is age 60. In this example, the survivor has chosen to receive this benefit at age 62.

- Between age 40, when the child reaches 18, and age 62, when the survivor begins to receive retirement benefits, no Social Security benefits are payable. This is known as the Social Security "blackout" period.



How would you cover the gap in the blackout period?

Social Security Disability Benefits

Many Americans associate the term "Social Security" primarily with retirement benefits. However, Social Security also provides benefits to workers who are severely disabled.

There is a complex maze of requirements that must be met to qualify for Social Security disability benefits, and many applicants have difficulty meeting these requirements. In 2012, for example, only 34.8% of initial Social Security disability claims were accepted.[1]

"Insured" For Disability Benefits

To be "insured" for Social Security disability benefits, a worker must generally meet two tests:[2]

- **Fully insured:** First, he or she must be "fully" insured, usually achieved by earning 40 "credits," over 10 years in "covered" employment. In 2017, an individual must earn $1,300 in covered earnings to receive one credit and $5,200 to earn the maximum of four credits for the year. For those with less than 10 years in covered employment, an alternative test applies (an absolute minimum of six quarterly credits is required), summarized in the "Duration of Work Test" table[3] shown below:

Duration of Work Test

Age Disability Occurs	Work Generally Required
Younger than age 28	1.5 years
30	2.0 years
34	3 years
38	4 years
42	5 years
44	5.5 years
46	6 years
48	6.5 years
50	7 years
52	7.5 years

[1] Annual Statistical Report on the Social Security Disability Insurance Program, 2015, October 2016. Table 61, Medical decisions at the initial adjudicative level, by year of application and program, all decisions.

[2] Certain blind individuals need only meet the "fully" insured test to qualify for disability benefits.

[3] See SSA Publication No. 05-10029, Social Security Disability Benefits, May 2015.

Age Disability Occurs	Work Generally Required
54	8 years
56	8.5 years
58	9 years
60	9.5 years

- **20/40 rule:** A worker must have at least 20 credits during a 40-calendar quarter period (five out of 10 years) that ends with the calendar quarter the worker is determined to be disabled. Alternative tests apply to individuals disabled before age 31, summarized in the "Recent Work Test" table[1] shown on the following page.

Recent Work Test

When Disabled	Work Generally Required
In or before the quarter age 24 is reached.	1½ years of work during the three-year period ending when the disability began.
In the quarter after reaching age 24, but before the quarter age 31 is reached.	Work at least one-half of the time, beginning with the quarter after age 21 is reached, and ending with the quarter disability begins.
In the quarter age 31 is reached, or later.	Work at least five years out of the last 10 ending with the quarter disability begins.

Definition of "Disability"

A worker is "disabled" when he or she is unable to work because of a medical problem or condition that has lasted, or can be expected to last, for a continuous period of 12 months, or that will result in the worker's death. Also, a worker must be unable to engage in any "substantial gainful activity." No benefits are paid for short-term or partial disability.

[1] See SSA Publication No. 05-10029, Social Security Disability Benefits, May 2015.

Applying For Social Security Disability

A person who becomes disabled should apply for disability benefits as soon as possible. In addition to a mandatory five-month waiting period, the time needed to process a disability claim can be lengthy. In considering a claim, five questions will be raised:

1. **Is the individual currently working?** If the answer is "yes," or if the individual is earning more than $1,170 per month,[1] the claim will generally be denied.
2. **Is the medical problem "severe?"** The medical condition must significantly limit the individual's ability to do basic work tasks such as walking or sitting.
3. **Is the medical condition on the List of Impairments?** Certain medical problems are so severe that an individual who suffers from one of these conditions is automatically considered to be disabled.
4. **Can the worker do the work he or she did before?** Can the worker do the same job he or she held immediately before becoming disabled? If yes, the claim will be generally be denied.
5. **Can the worker do any type of work?** If yes, the claim will usually be denied.

Primary Insurance Amount

In general, Social Security benefit amounts are based on the worker's lifetime earnings record. Using this earnings record, the SSA calculates a number known as the "Primary Insurance Amount," or PIA. The PIA is the basic value used to determine the dollar amount of benefits payable to a worker and his or her qualifying dependents.

The Worker's Disability Benefit

If a worker is determined to be disabled, the benefit paid to the worker is generally 100% of his or her PIA, calculated as if the worker had reached "full retirement age" (FRA). FRA is the age at which unreduced Social Security retirement benefits are paid. This age varies with the year of birth. For those born in 1937 or earlier, FRA is age 65. For those born after 1937, FRA gradually increases until it reaches age 67 for those born in 1960 or later.

Disability payments will continue until the earliest of: (1) the worker recovers and the disability ends, or (2) the worker reaches FRA, at which point the disability benefits become retirement benefits, or (3) the worker dies.

[1] 2017 value. For blind individuals, this value is $1,950 per month.

Benefits for Family Members

Other individuals may receive benefits based on a disabled worker's account:

- **Spouse's benefit:** At age 62 (or younger, if caring for a child described below), a spouse is eligible for a benefit based on the worker's record. The spouse's benefit is generally equal to 50% of the worker's PIA, at the spouse's FRA. Unless the spouse is caring for a child, the benefit amount is reduced if the spouse begins receiving benefits before FRA. If the spouse is entitled to a larger benefit based on his or her own work record, the larger benefit is paid.
- **Child:** A monthly benefit is available to a dependent child. For this purpose, a child must be under age 18, or age 18 or 19 and a full-time elementary or high school student, or 18 or over and disabled before age 22, and unmarried. Generally, the benefit is equal to 50% of the worker's PIA.
- **Divorced spouse:** If a prior marriage lasted at least 10 years, at age 62 a divorced spouse may be entitled to a benefit based on the worker's record, equal to 50% of the worker's PIA. The divorced spouse must not be married and the benefit amount is reduced for early retirement.
- **Maximum family benefit:** If the total benefits payable based on a worker's Social Security account exceed certain limits (which change each year) the individual benefit amounts for a current spouse and/or child are reduced to bring the total within the family maximum limit. Neither the worker's benefit amount, nor any benefit payable to a divorced spouse, is reduced.

Federal Income Taxation of Social Security Benefits

Under federal income tax law, Social Security benefits may be subject to income tax. If one-half of Social Security benefits plus "modified adjusted gross income" (often the same as adjusted gross income) exceed a specified threshold, then a portion (up to 85%) of social security benefits is taxable. For married couples filing jointly this threshold is $32,000; for most others it is $25,000.[1] State or local income tax treatment of Social Security benefits can vary.

[1] The threshold is $0 for those who are married filing separately and who lived with their spouse at any time during the year.

Reduced Benefits Because of Excess Earnings

If an individual[1] begins receiving Social Security benefits before reaching FRA and also works, the benefit will be temporarily reduced if earnings exceed certain limits. For this purpose, "earnings" generally include wages received as an employee or the net income received from self-employment. The reduction amount is calculated on a monthly basis and will vary depending on the individual's current age in relation to his or her FRA.

- **Under FRA:** One dollar of benefits is lost for every two dollars earned over an annual total of $16,920 ($1,410 monthly).[2]
- **The year FRA is reached:** One dollar of benefits is lost for every three dollars earned over $44,880 ($3,740 monthly).[2]
- **At FRA:** Once FRA is reached, disability benefits become retirement benefits, and there is no reduction in an individual's benefit, regardless of how much is earned.

Verifying Social Security Records

Because Social Security benefits are based on a worker's lifetime earnings history, it is important to insure that all covered earnings are accurately listed on SSA records. There are several ways to do this:

- **Paper statements:** Workers age 60 or older and who are not receiving Social Security benefits automatically receive a paper Social Security Statement each year, listing the worker's earnings as well as providing estimated retirement, disability, and survivors benefits. Workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 who are not receiving Social Security benefits ans who are not registered for an online Social Security account (My Social Security) will receive a paper statement in the mail approximately three months before their birthday.
- **Online statements:** The same information previously provided on the paper statements is now available on an electronic statement. These electronic statements

[1] In a disability situation, this would usually apply only to a qualifying dependent; if the worker is able to work, he or she would generally no longer be considered "disabled" and disability benefits would cease.

[2] 2017 value. These "exempt" amounts are subject to adjustment for inflation each calendar year.

include a summary of a worker's earnings, as well as providing estimated retirement, disability, and survivor's benefits. To obtain a statement, an individual will need to create an account on the Social Security website at http://www.ssa.gov/myaccount. Each person who wishes to sign up must be at least age 18 and have a valid Social Security number, e-mail address, and United States mailing address.

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Seek Professional Guidance

Applying for Social Security disability benefits can be a confusing process. Trained financial professionals can answer many Social Security disability questions. Social Security information can also be obtained by directly contacting the SSA.

Disclosure Notice

The information that follows is intended to serve as a basis for further discussion with your financial, legal, tax and/or accounting advisors. It is not a substitute for competent advice from these advisors. The actual application of some of these concepts may be the practice of law and is the proper responsibility of your attorney. The application of other concepts may require the guidance of a tax or accounting advisor. The company or companies listed below are not authorized to practice law or to provide legal, tax, or accounting advice.

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