

DISCUSSING RETIREMENT PLANNING WITH YOUR CLIENTS

SOCIAL SECURITY QUICK REFERENCE

Age to Receive 100% Monthly Benefits	
Year of Birth	Full Retirement Age (FRA)
Before 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Social Security Administration, "Social Security, "Retirement Planner: Benefits by Year of Birth, "2017,SSA.gov

Increase for Delayed Retirement	
Year of Birth	Rate of Increase
1943 and later	8%

Social Security Administration, "Retirement Planner: Delayed Retirement Credits" 2017, SSA.gov

2023 Monthly Benefits	
Type of Worker	Ave 2020 Monthly Soc Sec Benefits*
Retired worker	\$1,827
Retired couple	\$2,734
Disabled worker	\$1,483

*Social Security Administration, "2020 Social Security Changes," SSA.gov

Life Expectancy for Those Who Reach Age 65*		
Male	Female	Adults 65+
50% chance of living to age 84	50% chance of living to age 86	25% will live past 90 10% will live past 95

Social Security Administration, "Calculators: Life Expectancy," 2016.

Benefits Taken at Age 62 (early)		
FRA	Discount Factor	\$1,000 Becomes
66	25%	\$750
67	30%	\$700

Social Security Administration, "Retirement Planner: Benefits by Year of Birth" 2017, SSA.gov. Percentages are approximate due to rounding.

Cost of Living Adjustments (COLAs)	
Year Implemented	COLA
2019	2.8%
2020	1.6%
2021	1.3%
2022	5.9%
2023	8.7%

"2021 Social Security Changes," SSA.gov. COLA increases are added to benefits beginning the year you reach 62

2017 Windfall Elimination Provision (WEP)	
Years of Substantial Earnings	Adjustment
30 or more	90%
29	85%
28	80%
27	75%
26	70%
25	65%
24	60%
23	55%
22	50%
21	45%
20 or less	40%

Social Security Administration, "Windfall Elimination Provision" 2017, SSA.gov

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Provisional Income Tax on Social Security Benefits	
Income Amount	FRA
File individual tax return and combined income* is \$25,000-\$34,000	Up to 50% of benefits may be taxable
File individual tax return and combined income* is more than \$34,000	Up to 85% of benefits may be taxable
File joint tax return and combined income* is \$32,000-\$44,000	Up to 50% of benefits may be taxable
File joint tax return and combined income* is more than \$44,000	Up to 85% of benefits may be taxable

*The Social Security Administration defines your "combined income" as your adjusted gross income + nontaxable interest + ½ of your Social Security benefits. Social Security Administration "Benefits Planner: Income Taxes and Your Social Security 2017," SSA.gov

2020 Earned Income Limits	
Under FRA—\$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$18,240 yr
Individual reaches FRA in 2020—\$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$48,600 yr
Month individuals reached FRA and beyond—Reduction no longer applies	↑ to 50% benefits may be taxable

Social Security Administration, "2020 Social Security Changes" SSA.gov

Provisional Income Tax on Social Security Benefits		
Beneficiary	Eligibility	Benefit*
Spouse	<ul style="list-style-type: none"> 62+ Any age if caring for your child who is also receiving benefits 60+ (50+ if disabled) upon your passing 	<ul style="list-style-type: none"> Can receive 50% of your full benefit at FRA, reduced if taken before FRA Upon your passing, surviving spouse can receive 100% of your benefit at FRA, no less than 71.5% if taken earlier
Child	<ul style="list-style-type: none"> Under 18 (19 if in high school full time) Any age if disabled before age 22 Currently unmarried 	<ul style="list-style-type: none"> Can receive 50% of your full benefit Upon your passing, surviving children can receive 75% of your benefit
Ex-spouse	<ul style="list-style-type: none"> 62+ Must have been married for at least 10 years Currently unmarried 60+ (50+ if disabled) upon your passing 	<ul style="list-style-type: none"> Can receive 50% of your full benefit at FRA, reduced if taken before FRA, even if you have not filed Entitled to same survivor benefits as current spouse

*Earnings limits, family limits and Windfall Elimination Provisions apply Security "Survivors Planner: How Much Would Your Benefit Be?" SSA.gov, 2017

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