

Social Security




Retired Oregon
School Employees



<https://drive.google.com/file/d/1JL3tr2Nyf1I8kHJ-FvWJ4O1ZAnruIDCE/view>


You qualify for Social Security benefits by earning Social Security credits when you work in a job and pay Social Security taxes.

Social Security credits are based on the amount of your earnings. They use your earnings and work history to determine your eligibility for retirement or disability benefit or your family's eligibility for survivor's benefits when you die.




Currently you receive one credit for each \$1730 of earnings, up to the maximum of four credits per year. Each year the amount of earnings needed for credits goes up slightly as average earnings levels increase. The credits you earn remain on your Social Security record even if you change jobs or have no earnings for a while.

Qualifications for collecting Social Security benefits



Social Security benefits are primarily funded by the wages of current workers. The social Security tax on wages is 6.2% on the employee's first \$168,600 of earned income. (plus 1.45% Medicare Hospital Insurance tax for a total of 7.65%)

** 1.45% Medicare tax is figured on total wages



If you were born after 1929 you need 10 years of work (40 credits) to be eligible for Social Security benefits. (1 credit = \$1640 earned income currently.)

Once you've earned \$6920 in wages, (\$1730 X 4) you have earned your 4 credits for the year. You must have 40 credits to retire. They do not need to be successive years.

You must be at least 62 years of age



- **The primary beneficiary's dependents are eligible to collect Social Security benefits if the recipient has:**

- .Unmarried children under the age of 18 (19 if in school)
- .Unmarried disabled children under the age of 22
- .A spouse at least 62 (60 if receiving survivor benefits)
- .A spouse caring for a disabled child
- .An ex that has not remarried, is at least 62, and the marriage lasted 10 years or longer and have been divorced for at least 2 years.

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**Maximum benefit of the spouse is 50% of the benefit the worker would receive at full retirement age. (the primary recipient's benefits are never affected by dependent's collection on their files.)

Retirement Ages

Retirement Options:

- Early Retirement at age 62
- Full Retirement at retirement age

1943-1954	at age 66	1955	at age 66 +2 months
1956	at 66 + 4 months	1957	at 66 + 6 months
1958	at 66 + 8 months	1959	at 66 +10 months
1960 and after	at age 67		

- Defer retirement until 70



When?

- ▶ The earliest age you're allowed to collect Social Security is 62, but claiming early comes at a cost.
- ▶ If you take benefits before reaching your full retirement age, you'll **lose 6.67%** of your full benefit amount for up to three years and then 5% a year thereafter.
- ▶ So if your full retirement age is 66 and you claim benefits at 62, you'll reduce your payments by 25%.



Want to wait?

- ▶ If you decide to delay your benefits until after age 65, you should still **apply** for Medicare benefits within three months of your 65th birthday.
- ▶ If you wait longer, your Medicare medical insurance (Part B) and prescription drug coverage (Part D) may cost you more money.



What do I need to know before I apply?

What is your full retirement age;


When you want to start receiving benefits;
remember early retirement is at reduced \$

Will you be working while you receive benefits,
and if yes, how will it affect your benefits?

Social Security

[Mysocialsecurity.gov/setup](https://my.socialsecurity.gov/setup)

Create a free my **Social Security** account to estimate, plan & manage your benefits online. It is a Quick and Easy Way To Get Access To **Social Security** Tools and Information.





my Social Security

- **Welcome**, You last signed in on February 21, 2024 at 4:45PM EST.

A Message from Social Security:

- [Your Social Security Statement...](#)
- Estimated Benefit at Full Retirement age (67): **\$1,142 a month**
- [View Estimated Benefits](#)
- Last Reported Earnings:
- **\$0 in 2024**



Bonnie Luisi

ROSE Chair



***Retired* Oregon
School Employees**



EXTRA SLIDES



Purpose of Social Security

The Social Security Act and related laws establish a number of programs that have the following basic purposes:


- A. To provide for the material needs of individuals and families;
- B. To protect aged and disabled persons against the expenses of illnesses that may otherwise use up their savings;
- C. To keep families together; and
- D. To give children the chance to grow up healthy and secure.

What Programs are Included Under the Social Security Act and Related Laws?

- A. Retirement Insurance;
- B. Survivors Insurance;
- C. Disability Insurance;
- D. Hospital and medical Insurance for the aged, the disabled and those with end-stage renal disease;
- E. Prescription Drug Benefit;
- F. Extra Help with Medicare Prescription Costs;
- G. Supplemental security income
- H. Special Veteran's Benefits;
- I. Unemployment Insurance

Programs Included Under the Social Security Act and Related Laws continued


J. Public assistance and welfare services, including:

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1. Temporary assistance for needy families;
 2. Medical assistance;
 3. Maternal and child health services;
 4. Child support enforcement;
 5. Family and child welfare services;
 6. Food stamps; and
 7. Energy assistance

Special rules for some jobs

If you are self employed, you earn Social Security the same way employees do-1 credit for each \$1360 in net earnings

If you are in the military, you earn Social Security credits the same way civilian employees do. You may get additional earnings credits under certain conditions.



If you have annual net earnings of less than \$400-
special rules apply.

There are also special rules for:

Domestic work;

Farm work; or

You work for a church or church-controlled organization that does not pay Social Security taxes.




Additionally, the Social Security recipient's family may be able to qualify for dependent benefits under certain circumstances.





Your Decision is a Personal One

- ▶ Check out your options and do what is best for you and your situation.
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Handouts

- The following slides were condensed to a 2 page handout.

Things to Consider

There are advantages and disadvantages to taking your benefit before your full retirement age.

The advantage is that you collect benefits for a longer period of time.

The disadvantage is your benefit is reduced.

Each person's situation is different.

Things to Consider

- ▶ if you delay your benefits until after full retirement age, you may be eligible for delayed retirement credits that would increase your monthly benefit;
- ▶ there are other things to consider when making the correct decision about your retirement benefits; and
- ▶ to contact Social Security before you decide when to retire.

When??

On the other hand, if you delay Social Security past your full retirement age, you'll raise your benefits by 8% each year up until age 70, at which point the incentive to hold off runs out.

So, if your full retirement age is 66 and you wait until 70 to take Social Security, you'll increase your payments by 32%.

** After age 70 there is no additional incentive so start taking it then!



How To Apply

- ▶ Social Security has an online application that takes as little as 15 minutes to complete.
- ▶ In most cases, once your application is submitted electronically, you are done! Social Security will process your application and contact you if further information is needed.
- ▶ This can be done up to 4 months ahead of your retirement. (SS will not process if it is more than 4 months in the future)

** You will receive a receipt for your online application*



What Should You Do Now?

Go to [SocialSecurity.gov](https://www.SocialSecurity.gov)

Create your personal *mySocialSecurity* account

With the *mySocialSecurity* account, you can:

- receive personalized estimates of future benefits based on your real earnings,

- See your latest Statement,

- review your earnings history.

Get a replacement Social Security Card

Check the status of an application, from anywhere!