

PREMIER SOCIAL SECURITY CONSULTING, LLC



Leaders in Social Security Consulting and Education



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Presentation is purely for educational purposes. Every effort is taken to be certain that PPT and education are accurate. There might be instances that the PPT and class are not accurate.

Marc Kiner, CPA (Inactive)

President

- Graduate of University of Cincinnati
- Bachelors of Science degree in Accounting & Finance
- Masters Degree in Tax
- Licensed CPA in Ohio – 40 years.
- Co-founder of National Social Security Advisor Certificate program.



Jim Blair

VP/Social Security Consultant

- Graduate of University of Cincinnati
- Bachelors of Science degrees:
 - Administrative Management
 - Personnel Administration
- **Air Force (#1)/ NSA**
- 35 years with Social Security Administration (48 total years-SS)
- Specializing in claims for Retirement, Survivors, Disability and Medicare
- Co-founder of National Social Security Advisor Certificate program.

Situational Social Security

Every Client is in a different situation. Understand the issues relating to clients and questions to ask.

- 1) Single
- 2) Married (narrow vs wide age differences)
- 3) Public Employees
- 4) Restricted Application
- 5) Children
- 6) Ex-spouse with one or more exes
- 7) Surviving spouse with one or more deceased spouses
- 8) Retroactivity of benefits
- 9) Full Retirement Age (66 – 67)

2023 SOCIAL SECURITY & MEDICARE FACTS

- Retirement and Disability Coverage • Medicare Benefits • Filing for Benefits • Computation of Benefits
 - Loss of Benefits and Benefit Reduction
- Delayed Retirement Credits • Government Pension Offset and Windfall Elimination Provision • Changes in Medigap Plans • Taxation of Benefits • Benefits for Service Members and Veterans • Government Retirement Benefits • Railroad Retirement • Social Security Case Studies and Benefit Maximization
 - Medicaid • Medicare Advantage

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The National Underwriter Company



1,020 pages, 1,049 questions, Case studies (Excellent resource/NSSA discount)

Test Your SS Knowledge

1. How many years of earnings are included in benefit calculation?
 - a. Last 3, 5 ,10
 - b. Highest 3, 5,10
 - c. Best 20 quarters
 - d. Thirty-five
2. At a Super Bowl party, **Harold** told Darlene Snell (Ozark Netflix series) that she can claim benefits off her ex if married for 7 years. Is this advice correct? (Be careful Harold. Google Jacob Snell's death!)
3. Provision impacting public employees seeking both government pension and SSB on their own record.
 - a. Government Pension Offset
 - b. Windfall Elimination Provision
 - c. Public Employee SSB Reduction

Test Your SS Knowledge

4. **Harold** married Helen on the field prior to a Cleveland Guardians baseball game six months ago. They are both age 62. Harold told Helen to file for benefits off her ex-husband. Is this allowable?
5. Provision allowing an individual to file only for spousal benefits is known as _____.
6. Surviving spouses receive ____% of deceased spouse benefit at Full Retirement Age. a. 25 b. 30 c. 75 d. 100
7. What is time limitation to payback SS benefits and withdraw application? a. 1 b. 3 c. 5 d. 6 years

Test Your SS Knowledge

8. Waiting beyond FRA to collect SSB, will increase benefits by what annual percent? a. 3% b. 5% c. 8% d. 10% e. 15%
9. When is an individual eligible for SS benefits if he/she turns 62 on June 18?
10. The Family Maximum provision applies to ex-spouses. True/False
11. What is the Annual Earnings Test at age 64 and how much will SS withhold if exceeded?
12. Paul's PIA is \$2,000. Mary's PIA is \$1,500. What is Mary's spousal benefit (boost) at age 63?

Test Your SS Knowledge

13. Folks born in 1955 can file a Restricted Application at FRA?
True/False
14. John reaches his FRA in November 2023. At his nephew's graduation party, Harold told John that his spouse can receive spousal benefits while his benefits have been suspended. Is Harold correct? Yes / No
15. If a spouse never worked, is he or she entitled to spousal benefits?

Growth In SS Program

First COLA increase 9/50 – 77.00%

1977 Amendments – increased payroll tax from 6.45% to 7.65%.

Growth	Year	Beneficiaries	Benefits Paid
	1937	52,236	\$ 1,278,000
	1950	3.4m	\$961,000,000
	1980	39m	\$247,000,000,000
	2000	45m	\$407,000,000,000
	2022	66m	\$1.232 TRILLION

Above table reflect both total program activity (OASDI)



Submitted to Congress as:
Economic Security Act. (Changed
upon signing of legislation).

Social Security Payments began in 1937.

Ernest Ackerman – received first
SS lump-sum payment. In program
for 1 day and paid in .05 cents. He
received a lump-sum payment of
.17 cents. Lump-sum payments
1937-1940.

Ida May – *received first monthly
retirement check in January, 1940 -
\$22.54. Ms. May lived to 100!!!*

Ethel at 107 (Memorian)



Inflation Cola Adjustments

Urban Wage Earners and Clerical Workers

(Only CPI Index Available by BLS when COLA was enacted into law in 1972)
Based on the average **CPI-W** Index for the third quarter over the third quarter average of the prior year.

Recent COLA adjustments: (effective in December of prior year)

2023	8.7%	2016	0%
2022	5.9%	2015	1.7%
2021	1.3%	2014	1.5%
2020	1.6%	2013	1.7%
2019	2.8%	2012	3.6%
2018	2.0%	2011	0%
2017	0.3%	2010	0%

Claiming Trends – Age 62

<u>Year</u>	<u>Males</u>	<u>Females</u>
1996	56%	63%
2013	42%	48%
2019	31%	34%
2021	25%	27%
Future???	Same	Increase

Federal Old Age & Survivors Trust Fund

Balance - \$2.830 trillion (12/31/2022)

- Trust fund decreased in 2022 by \$22 billion (OASDI)
- Deficit expected into the future

2022 Activity (OASDI)

- Receipts - \$1,222,000,000,000 (\$1,107/\$49/\$66)
- Expenditures - \$1,244,000,000,000 (includes admin costs)
- Deficit - \$22,000,000,000

Future of Social Security

- SS Trust Fund (combined) to disappear by 2034.
- Social Security cannot operate in the red.
- Beginning in 2034, SS can only pay out 80% of benefits. ([voluntary donatns— www.ssa.gov](http://www.ssa.gov))
- Potential changes
 - Move FRA from 67 to 70.
 - All earnings subject to SS tax. (Current level - \$160,200)
 - Means testing (Bend Points!!!!) (Change to a welfare program)
 - Decrease % Delayed Retirement Credits / Do not adjust DRCs if FRA is increased to age 70.
 - Delay eligibility from age 62 to age 64.
 - Restricted Application (Done)
 - Reduce COLA adjustments – Chained CPI-U Index

Voluntary Donations - Gifts & Bequests

2021/2022	\$ Not Sure (up to \$500k)
2020	\$ 182,000 (coincidence?)
2019	\$ 182,000
2018	\$ 188,000
2017	\$ 374,000
2016	\$ 3,000
2015	\$ 0
2014	\$ 5,000
2013	\$ 0
2012	\$ 1,000
2011	\$1,000,000



Source – Social Security Annual Trustees Report

Charitable Contribution Deduction!!!!!!!!!!!!!!

How To Maximize Benefits

1. Help your clients to “Make A Plan”.
2. Social Security may be a joint lifetime benefit.
3. Do not base decision on benefits at ages 62, FRA, 70.
(INSIDE THE BOX)
4. SSS - “Restricted Application”/Single, Married, Survivors, Children, Divorced. Spousal benefits coordination.
(OUTSIDE THE BOX) (Probing SS Questions)
5. Remember – greater than 90% of all recipients do not maximize their Social Security benefits.
6. SS reps are basically just order takers. Do not expect assistance.

Going, Going, Gone

- **Claim and suspend** – file an application for Social Security benefits but suspend checks – allows **SPOUSE/CHILDREN** to file for benefits off wages earner's work record. (Must have filed by April 29, 2016. FRA by May 1, 2016. Born by May 1, 1950).
- **Restricted application** – allows **WORKER** to file only for spousal benefits even if own benefits would be higher. **WORKER** can wait to age 70 to draw own benefits and receive Delayed Retirement Credits – 32%. (Must have been born by **MAGIC BIRTHDATE** of **January 1, 1954.**)

Coordination of Spousal Benefits



ONLY AVAILABLE AT FULL RETIREMENT AGE

Your Statement Contains

- Estimated benefits
- Earnings record
- Taxes paid summary
- Contact information

70,000,000+ Online Accounts

<http://www.ssa.gov>

<http://www.socialsecurity.gov>



Your payment would be about
\$2,355 a month
at full retirement age

Name _____ November 18, 2017

Your Social Security Statement

Are you thinking about retirement? Are you ready for retirement?
We have tools that can help you!

- Estimate your future retirement benefits using our retirement estimator
- Apply for retirement, spouse's, Medicare, or disability benefits using our *Online Applications*
- And once you receive benefits you can manage your benefits within *my Social Security*

Your *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are **not intended to be your only source of income when you retire**. On average, Social Security will replace about 40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to live comfortably when you retire.


Nancy A. Berryhill
Acting Commissioner

Follow the Social Security Administration at these social media sites.   

Qualifying for Retirement Benefits

- **40 credits are need for retirement**
 - Averages out to 10 Years of part time work
 - 1 Credit = \$1,640 FICA wages/earnings (Annual \$6,560)
 - Maximum of 4 credits earned annually
- **Age requirements**
 - 62 (Partial benefit) (Must **ATTAIN** age 62 for entire month!!
Attain age, the day before birthday.)
 - 66 to 67 (Full benefits) (Full Retirement Age)
 - FRA to 70 (Full benefits + Delayed Retirement Credits)
- **Must file an application (Entitled)**
 - SSA will not come calling!

Full Retirement Age

Year of Birth	Full Ret. Age	
1937	65	
1938	65 & 2 months	
1939	65 & 4 months	
1940	65 & 6 months	
1941	65 & 8 months	
1942	65 & 10 months	
1943-1954	66	
1955	66 & 2 months	
1956	66 & 4 months	
1957	66 & 6 months	
1958	66 & 8 months	
1959	66 & 10 months	
1960 & later	67	

How Social Security Retirement Benefits Are Figured

Based on earnings:

Step 1 – Adjust all FICA wages for inflation.

Step 2 – Add highest **35 years** together and divide by 35 years, then 12 months.

Step 3 – You receive a percentage of this “average indexed monthly earnings” as your retirement benefit. **AIME**

Benefit Examples

Low Income Worker

- \$18,168 annual avg.
- \$1,127 – PIA (75% of earnings)



Middle Income Worker

- \$40,375 annual avg.
- \$1,723 – PIA (51% of earnings)



Higher Income Worker

- \$75,000 annual avg.
- \$2,646 – PIA (42% of earnings)



Payment Dates

Social Security Retirement Benefits Are Paid Based on
(actual) Birthdate:

1 – 10	2 nd Wednesday (following month)
11 – 20	3 rd Wednesday (following month)
21 – end	4 th Wednesday (following month)

Full Retirement Age/Reduction

Year of Birth	Full Ret. Age	% at Age 62
1937	65	80%
1938	65 & 2 months	79.2%
1939	65 & 4 months	78.2%
1940	65 & 6 months	77.5%
1941	65 & 8 months	76.7%
1942	65 & 10 months	75.8%
1943-1954	66	75%
1955	66 & 2 months	74.2%
1956	66 & 4 months	73.3%
1957	66 & 6 months	72.5%
1958	66 & 8 months	71.7%
1959	66 & 10 months	70.8%
1960 & later	67	70%

2023 Annual Earnings Test (AET)

	Earnings Test	Benefits to be Withheld
If You Are Younger Than Full Retirement Age (FRA)	\$21,240/year (\$1,770/month)	\$1 for every \$2 over the annual limit
The Year You Reach Full Retirement Age	\$56,520/year (\$4,710/month)	\$1 for every \$3 over the annual limit
Once You Reach the <u>MONTH</u> of Full Retirement Age	No Limit on Earnings	No Limit on Earnings

**First Year of Retirement Rule-SSA excludes wages prior to your retirement from the above limits. (Monthly Test)*

Delayed Retirement Credits

Social Security benefits are increased if benefits begin after reaching month of FRA.

Delayed Retirement Credits are credited in the year after they are earned. Exception at age 70.

The benefit increase stops when a person reaches age 70.

Increase is Permanent

Spouse Benefits

You must be at least age 62

- Your spouse must be receiving a Social Security **retirement** or **disability** benefit.
- Duration of Marriage - 12 months or more.
(continuous)
- ❑ Exception: you can be any age if caring for the worker's minor child (under 16) or disabled adult child

Spouse Benefits - Amount

**“How much can
you get from a
living spouse or
ex-spouse?”**

Maximum is 50% of the spouse or
ex-spouse's PIA.

You'll receive the **Higher** calculated benefit
amount, based upon your own record **OR**
your spouse's. (Deemed Filing)

Reduction at age 62 – 30%

***Note:** You cannot collect both benefit
amounts.*

Spouse Benefits - Divorce

- ❑ Divorced spouse benefits if you:
 - are single
 - are at least age 62
 - were married at least 10 years (continuous?)
 - ex-spouse must be receiving a Social Security **retirement** or **disability** benefit.

- ❑ Independently Entitled Divorced Spouse benefits if you:
 - were divorced for at least 2 years
 - are single
 - are both at least age 62
 - were married at least 10 years
 - ex-spouse does not have to be receiving benefits.

Ex-Spouse Benefits

Hard to get along with? And more than 1 ex?

You have options!!!!



Spouse – Deemed Filing

**“How much can
you get from a
living spouse or
ex-spouse?”**

If you are eligible for benefits on your own work record, you will receive retirement benefits 1st.

If you are eligible for a Spousal benefit when you file for retirement benefits you must take the Spousal benefit. (W / S benefits are bundled.)

If you are not eligible for a Spousal benefit when you file for retirement benefits, you must take the Spousal benefit when you become entitled.

Examples - Spousal Benefits (continued)

Mary begins SSB on own work record at age 62 and receives \$750. (PIA is \$1,000). Mary becomes eligible for the spousal boost at FRA when Paul turns on his SSB. How much is Mary's total benefit at FRA? Paul's PIA is \$2,500.

Spousal Benefit Boost

½ of Paul's PIA	\$1,250
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Less Mary's PIA	<u>-1,000</u>
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Spousal Benefit Boost	\$250
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Add Mary's age 62 benefit (Own)	<u>+750</u>
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Mary's benefit at FRA	<u>\$1,000</u>
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Examples - Spousal Benefits (continued)

Mary begins SSB on own work record at age 63 and receives \$880. (PIA is \$1,100). Mary becomes eligible for the spousal boost at FRA when Paul turns on his benefits. How much is Mary's total benefit at FRA? Paul's PIA is \$2,500.

Spousal Benefit Boost

½ of Paul's PIA	\$1,250
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Less Mary's PIA	<u>-1,100</u>
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Spousal Benefit Boost	\$150
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Add Mary's age 63 benefit (Own)	<u>+880</u>
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Mary's benefit at FRA	<u>\$1,030</u>
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Surviving Spouse Benefits

<u>Age</u>	<u>Pct of Death PIA</u>
Full Benefit Age	100.0
Age 60 (reduced by 28.5%)	71.5
Age 50 (Disabled)	71.5

SSA – Widow(er) benefits

Restricted Application

- **Restricted application** – allows **WORKER** to file only for spousal benefits even if own benefits would be higher. **WORKER** can wait to age 70 to draw own benefits and receive Delayed Retirement Credits – 32%. (Must have been born by **MAGIC BIRTHDATE** of January 1, 1954.)

Coordination of Spousal Benefits

ONLY AVAILABLE AT FULL RETIREMENT AGE

Strategies Social Security Benefits- Couples



One spouse
delays past FRA.

Maximize
surviving spouse
benefits.

Coordinate Spousal
Benefits/Situational
Social Security/Probing

Strategies - Single Folks



Age (62, 66, 70)

Earnings - ET

Death ends
benefits

Strategies - Divorce



Ex – spouse
(living or
deceased)

Earnings - ET

Spousal/Restrict
ed Application

Strategies – Surviving Spouse



Own benefits Age
(62, 66, 70)

Earnings - ET

SS benefits –
Age 60/66

Applying for SSB

Four Ways To Apply

- Online at www.ssa.gov or www.socialsecurity.gov.
 - Need a My SS Account.
 - Apply via clicking on “Retirement” square or online account.
- Visit the local SS office (and bring a good book)!
- Call 1-800-772-1213 to schedule an office visit or a phone call.

Public Employees/Gov't Pension

WEP – Windfall Elimination Provision

GPO – Government Pension Offset

➤ **Public employees in 12 states do not pay FICA taxes**

WEP applies if you have 40 Social Security credits & a pension from a non-Social Security system (PERS, STRS, SERS, etc)—you are guaranteed a benefit in this case! (1% of all beneficiaries)

GPO applies to any Social Security spouse/widow benefits you might receive if you also have a non-Social Security system pension. (2.7% of beneficiaries)

States with largest % of public employees not covered by Social Security:

California	56.4%
Colorado	70.9%
Illinois	45.4%
Louisiana	72.1%
Massachusetts	95.9%
Ohio	97.5%
Texas	52.1%

WEP PIA

2023 Bend Points

- 40% of the first \$1,115 (vs 90%)
- 32% over \$1,115 to \$6,721
- 15% over \$6,721

Years of Substantial Earnings

30 or more	90%	25	65%
29	85%	24	60%
28	80%	23	55%
27	75%	22	50%
26	70%	21	45%
		20 or less	40%

Applicable percentages as it applies to the first Bend Point

Substantial Earnings

2023	\$29,700	2009	\$19,800
2022	\$27,300	2008	\$18,975
2021	\$26,550	2007	\$18,150
2020	\$25,575	2006	\$17,475
2019	\$24,675	2005	\$16,725
2018	\$23,850	2004	\$16,275
2017	\$23,625	2003	\$16,125
2015/16	\$22,050	2002	\$15,750
2014	\$21,750	2001	\$14,925
2013	\$21,075	2000	\$14,175
2012	\$20,475	1999	\$13,425
2011	\$19,800	1998	\$12,675
2010	\$19,800		

Fact Sheet – 05-10045

WEP Examples

Tom's AIME is \$1,500. Tom is receiving a state pension and does not have any years of substantial earnings. His PIA is computed as follows:

Without WEP

Bend Point #1 ($\$1,115 \times .9$) \$1,004
Bend Point #2 ($\$385 \times .32$) 123
PIA \$1,127

With WEP

Bend Point 1 ($\$1,115 \times .4$) \$446
Bend Point #2 ($\$385 \times .32$) 123
WEP PIA \$569

Reduction of \$558

WEP Examples (*continued*)

Tom's AIME is \$1,500. Tom is receiving a state pension and has 21 years of substantial earnings. His WEP PIA benefit is computed as follows:

Bend Point #1 ($\$1,115 \times .45$)	\$501
Bend Point #2 ($\$385 \times .32$)	<u>123</u>
WEP PIA	<u>\$624</u>

Reduction of \$503

Government Pension Offset

GPO applies to any Social Security spouse/widow benefits you might receive if you also have a non-Social Security system pension.

Offset equals two-thirds of public employee pension. Reduce eligible Social Security Benefit by two-thirds of public employee pension. Recipient receives Social Security benefit remaining after offset.

GPO may (will) reduce Social Security benefits to zero.

Fact Sheet 05-10007

GPO Example

Mary is receiving a state pension of \$3,000 per month. She is entitled to \$1,000 in spousal benefits. Mary's spousal benefit is reduced to \$0.

Spousal benefit at FRA	\$1,000
GPO offset ($\$3,000 \times .667$)	<u>- 2,000</u>
Spousal benefit	<u>None</u>

Example (continued)

Mary is receiving a state pension of \$3,000** per month. She is entitled to SSB of \$3,500 as a widow. Mary's widow SS benefit is computed as follows.

Widow benefit at FRA	\$3,500
GPO offset (**\$3,000*.667)	<u>- 2,000</u>
Widow benefit	<u>\$1,500</u>

WEP / GPO

WEP – “W” stands for Worker

GPO – “GP” stands for Grumpy Partner

Contact Information

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Finale

Thank You For Attending

Marc Kiner and Jim Blair



PREMIER SOCIAL SECURITY CONSULTING, LLC



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“MAKE A PLAN” 10 Things You should Know...Before You File

*Have you developed a plan to maximize
Social Security benefits over your lifetime
and the lifetime of a spouse?*

- ☐ 1) Children may be eligible for benefits off a living parent or a deceased parent.
 - a) Benefits are payable to a child up to age 18.
 - b) Benefits are payable between ages 18-19 if in high school.
 - c) A non married child disabled before age 22 may also be eligible for benefits.
 - d) A mother's or father's (caretaker) benefit is payable if taking care of a child under age 16.
- ☐ 2) Divorced
 - a) Did marriage last at least 10 continuous years?
 - b) Ex-spouse claiming must be single and at least age 62
 - c) Ex-spouse being claimed off of must be receiving benefits unless divorced for at least two years.
 - d) Might be able to file a Restricted Application to receive benefits off of ex-spouse while allowing yours to increase Delayed Retirement Credits.
- ☐ 3) Restricted Application
 - a) Folks born by January 1, 1954, can file a Restricted Application to collect a spousal benefit while own benefit increases for DRCs.
- ☐ 4) Individuals with a job not covered by Social Security are impacted by:
 - a) Windfall Elimination Provision - applies to workers eligible for public employee pension and Social Security benefits.
 - b) Government Pension Offset - applies to spousal, (living or deceased), Social Security benefits.
- ☐ 5) Annual earnings test applies if (and only if) SS benefits are received before Full Retirement Age.

Test is \$19,560 for ages 62, 63, 64 and through December 31st of year of 65th birthday. Test is \$51,960 from January 1st of year that FRA is reached to end of month before FRA is obtained.
- ☐ 6) Joint Lifetime Benefit.

The decision to take benefits prior to Full Retirement Age might impact the amount received by a surviving spouse.
- ☐ 7) Spousal Benefits.

Spousal Benefits are payable if the number holder (wage earner) is collecting a retirement or disability benefit. The Spouse seeking to collect must be at least age 62. Very important to consider strategies to coordinate spousal benefits.
- ☐ 8) A surviving spouse has several options.

One Option: A surviving spouse may begin to collect benefits as early as age 60 and switch to benefits on own work record later. Benefits on own work record will be increased by the delayed retirement credit of 8% per year.

Another option: Collect benefits on own work record at age 62 and switch to surviving spouse benefits later.
- ☐ 9) How benefits are Calculated.

SS benefits are computed by taking the highest 35 years of indexed earnings. Earnings after age 59 are not indexed for inflation but still count in the calculation. Zero earnings years also count in the calculation.
- ☐ 10) National Social Security Advisor Certificate.

Be sure to reach out to an advisor that has earned the National Social Security Advisor certificate. The certificate denotes advanced education and training in Social Security. A list of NSSA ® advisors can be found at www.nationalsocialsecurityassociation.com

Please do not take this decision lightly. Social Security may be a joint lifetime benefit. Recipients must “Make A Plan” to maximize benefits.

Contact: Marc Kiner @ mkiner@mypremierplan.com
Premier Social Security Consulting
Visit: www.mypremierplan.com.