

Understanding Social Security

10 KEY FACTS ABOUT SOCIAL SECURITY BENEFITS

THINGS TO KEEP IN MIND BEFORE CLAIMING SOCIAL SECURITY

1 Eligibility for Social Security retirement benefits is determined by your work history.

To qualify for retirement benefits, you must have earned a minimum number of “credits” over the course of your working life.

2 Changes to your status in any of the following areas can have a positive or negative effect on your retirement benefit amount.

Your retirement benefit will be determined on the basis of work experience, your average earnings over 35 years and the age at which you begin taking benefits.

3 The year of your birth and the age at which you start taking Social Security benefits directly affect the amount you receive.

If you choose to receive retirement benefits before your Full Retirement Age (FRA*), your benefits will be reduced permanently. For example, if you were born in 1960 or later, your FRA is 67. If you were to start receiving retirement benefits at age:

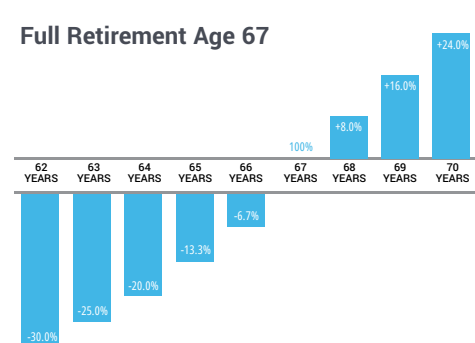
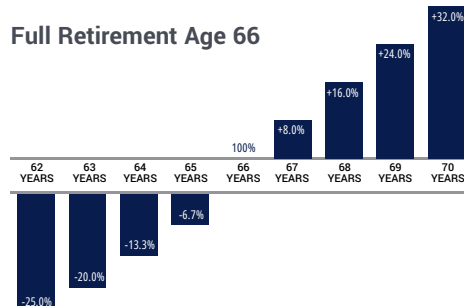
- 62, your retirement benefit would be permanently reduced by 30%
- 67, you would receive your full retirement benefit
- 70, your retirement benefit would increase by 24%

Full Retirement Age by Year of Birth



Retirement Benefit Increases and Decreases

* Full Retirement Age for retirement and spousal benefits is age 66 for anyone born between 1943 and 1954. It increases by two months for every year from 1955 to 1959. It is age 67 for anyone born 1960 or later.



4 Working while you take Social Security may cause your Social Security benefits to be temporarily withheld.

If you are younger than your Full Retirement Age (FRA) and receiving any Social Security benefit, there are limits on how much you can earn without affecting your benefits. When you reach FRA, the earnings limits no longer apply.

AGE	2024 EARNINGS LIMITS	AMOUNT OF WITHHOLDING
Under Full Retirement Age for the Full Year	\$22,320 (\$1,860 per month)*	\$1 in benefits withheld for every \$2 in earnings above limit
Reach Full Retirement Age During 2024	\$59,520 (\$4,960 per month)*	\$1 in benefits withheld for every \$3 in earnings above limit
Month You Turn Full Retirement Age and Older	No Restrictions	No Restrictions

* Special earnings monthly limit may apply the first calendar year.

Source: Social Security Administration.

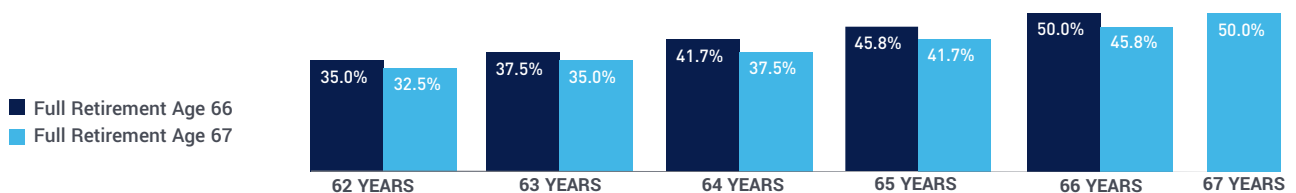
5 You may be eligible for spousal benefits if you are at least 62 years of age and your spouse is receiving their retirement or disability benefit.

Benefits paid to you as a spouse will not decrease your spouse's retirement benefit. If there is a divorced spouse who also qualifies for benefits, he or she will not affect the total amount of benefits you or your spouse may receive.

6 Your spousal benefit can be as much as half of your spouse's benefit at their Full Retirement Age (FRA).

In order to receive a spousal benefit, your spouse must be receiving their retirement benefit. If you receive a spousal benefit before you reach FRA, your spousal benefit amount will be reduced and will not increase when you reach FRA. If you are eligible for both your own retirement benefit and a spousal benefit, the Social Security Administration will pay you an amount that equals the higher of the two benefits.

Spousal Percentages by Age



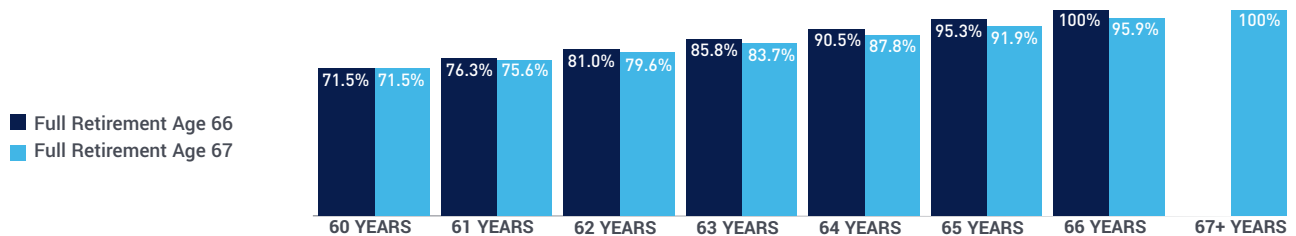
FRA for spousal benefits is age 66 for anyone born 1943 to 1954. It increases by two months for every year from 1955 to 1959. FRA is age 67 for anyone born in 1960 or later.

Source: Social Security Administration.

7 If something happens to you, your spouse and minor or disabled children may be eligible for benefits.

When you die, your spouse (if they are age 60 or older, or any age if they are caring for your children younger than 16) may be eligible for survivors benefits. Survivors benefits may be as much as 100% of the deceased's benefit. Keep in mind that benefits will vary for each person's situation.

Survivors' Percentages by Widow(er)'s Claiming Age



FRA for survivors benefit is age 66 for anyone born 1945 to 1956. It increases by two months for every year from 1957 to 1961. FRA is age 67 for anyone born 1962 or later.

8 Your Social Security benefits may be taxable.

If your "combined income" exceeds \$32,000 if you file jointly (\$25,000 if you file as an individual), you may pay taxes on some of your Social Security benefits. No one pays taxes on more than 85% of their Social Security benefits. Combined income includes adjusted gross income, tax exempt interest and half of your Social Security benefits.

Determining the Taxable Portion of Social Security

	SINGLE	MARRIED FILING JOINTLY
Social Security benefits not included in income	< \$25,000 of combined income	< \$32,000 of combined income
Up to 50% of Social Security benefits included in income and taxed	\$25,000–\$34,000 of combined income	\$32,000–\$44,000 of combined income
50%–85% of Social Security benefits included in income and taxed	> \$34,000 of combined income	> \$44,000 of combined income

Sources: IRS.gov, Social Security Administration.

9 Certain kinds of income will not increase the taxability of your Social Security benefits.

Preferred asset classes such as qualified Roth IRAs or Roth 401(k) distributions are not included in combined income. Also, for assets that have a cost basis, the cost basis is exempt from the calculation. These assets include the security purchase price (in the case of a taxable investment account), nondeductible IRA contributions and the principal investment portion of an annuity distribution.

Examples of Combined Income Exclusions

Roth IRA and Roth 401(k)/403(b)	Qualified charitable distributions	Nontaxable portion of pensions and annuities
Inheritance and gifts	Life insurance proceeds	HSA withdrawals for qualified medical expenses

This is not an all-encompassing list. Please contact a qualified tax advisor for more information.

Sources: IRS.gov, Social Security Administration.

10 Your Social Security statement is not a direct representation of what you will receive.

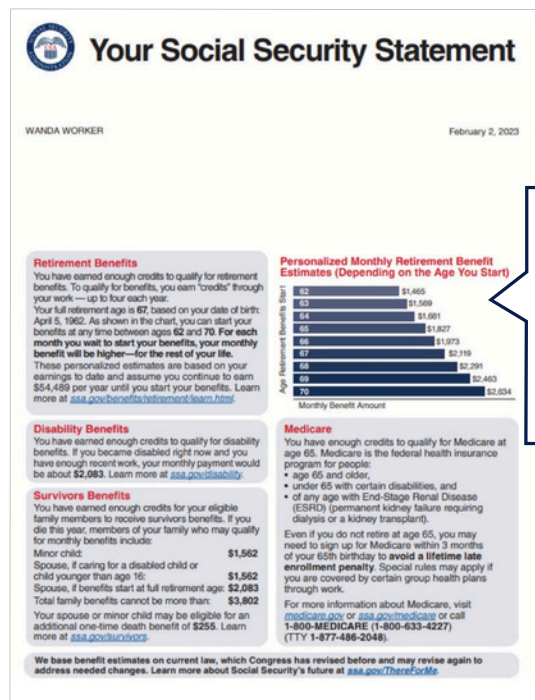
The statement is an estimate made on the basis of your most recent earnings and the assumption that you will continue to work and earn about the same amount as you currently earn until you reach Full Retirement Age. The statement does not account for pensions received for work not covered by Social Security, such as certain government or foreign employment. It also does not account for future uncertainties brought about by any changes in your earnings or work status, the law or the date when you start receiving benefits.

FAST FACT

If you have a security freeze, fraud alert, or both on your credit report please ask your credit reporting agency or the Social Security's Identity Service Provider to lift your security freeze or fraud alert before accessing your account.

Source: Social Security Administration

Estimating Your Social Security Benefit



Note: Statements are currently mailed only to workers age 60 and over who are not receiving Social Security benefits and do not yet have a my Social Security account. To create an account online and access your statement, go to ssa.gov and click on my Social Security.

Source: ssa.gov, Sample Statement, 2023. This hypothetical example is for illustrative purposes only. Results will vary.

This material should be used as helpful hints only. For more information and answers to many questions about Social Security benefits, go to ssa.gov. For help determining what role Social Security benefits will play in your financial future, work closely with your investment or other relevant professional. They will provide the perspective to help you build and maintain a retirement strategy that works best for you.

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