



Improving the long term financial security of all women through education and advocacy.

Your Social Security Statement: What It Means and Why It's Important

Social Security is an important benefit, especially for women. It is never too early to start understanding Social Security benefits for both you and your family. The more you learn now, the better prepared you will be to make decisions about when and how to claim your benefit.

One of the best tools available is the Social Security Statement, available to adult all workers from the Social Security Administration (SSA) at www.ssa.gov/myaccount. To get your online statement, you must provide information about yourself that matches information already on file with SSA. Once your identity is verified, you establish a "My Social Security" account with a unique number and password and can access your online statement. The portal also links to information about SSA's other online services, like the online retirement application.

Also, workers and former workers above the age of 60 who are not receiving Social Security benefits and have not signed up for access to their Statement online automatically receive a statement in the mail from SSA each year three months before their birthdate.

Whether you receive your statement by mail or online, WISER recommends that you carefully review SSA's information about your future benefits thoroughly. Make sure that your earnings information is correct. Your future benefits will be based on these earnings as they are recorded with the SSA. If any earnings shown in past years are incorrect, contact SSA at 1-880-772-1213. Have your W-2 or tax return for those years available.

This statement is an essential financial planning tool to help you to estimate your income in retirement and determine how much money you will need to supplement your Social Security benefits. The statement will also give you details about your spouse's and dependents' possible benefits if you die, as well as your disability benefits if you were to become disabled. To see samples of both online and mailed statements, visit:

<https://www.ssa.gov/myaccount/statement.html>

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SOCIAL SECURITY: ESTIMATED BENEFITS EXAMPLE

Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2035, the payroll taxes collected will be enough to pay only about 80 percent of scheduled benefits.

RETIREMENT

You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until:

- Your full retirement age (67 years), your payment would be about..... \$2,061/month
- Age 70, your payment would be about..... \$2,561/month
- If you stop working and start receiving benefits at age 62, your payment would be about..... \$1,426/month

DISABILITY

- You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about..... \$2,027/month

FAMILY SURVIVORS

If you get retirement or disability benefits, your spouse/children may qualify for benefits. You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:

- Your child..... \$1,520/month
- Your spouse who is caring for your child..... \$1,520/month
- Your spouse, if benefits start at full retirement age..... \$2,027/month
- Total family benefits cannot be more than..... \$3,700/month
- Your spouse may be eligible for a one-time death benefit of..... \$255

MEDICARE

You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security 3 months before your 65th birthday to enroll in Medicare.

We based your estimate on these facts:

- Your date of birth..... April 5, 1961
- Your estimated taxable earnings per year after 2018..... \$52,769
- Your Social Security number..... XXX-XX-XXXX

Things to Be Aware of Regarding Your Retirement Benefits:

Knowing how much retirement income you can expect from your pension and Social Security benefits is essential to effective financial planning. Two provisions, the **Government Pension Offset (GPO)**, and **Windfall Elimination Provision (WEP)**, may decrease your retirement income. It is important to know and plan for these provisions well before you retire. If you **continue working while receiving your benefit**, your benefit amount might be impacted as well.

Government Pension Offset

The Government Pension Offset provision affects the Social Security benefit you receive as a spouse or a widow if:

- You receive a pension from a job where you did not pay Social Security taxes, based on employment for a federal, state or local government agency, and
- You apply for Social Security benefits based on your spouse's work record.

How much is the offset?

- The offset will reduce your Social Security spouse or widow's benefit by about two-thirds of your government pension.
- For example:
You get a monthly pension from your government job of \$600.
You are also eligible for a \$500 widow's benefit from Social Security.
Two-thirds of your government pension, or \$400, will be subtracted from the widow's benefit, and you will receive only \$100 from Social Security.

Windfall Elimination Provision

The Windfall Elimination Provision reduces the Social Security benefit you receive based on your own work record **if** you are also eligible for a federal, state or local pension from employment that was **not** covered by Social Security.

The Social Security Administration uses a modified formula to compute your Social Security benefits, resulting in a lower benefit. The structure of the modified formula can especially impact low-paid workers. Windfall Elimination does not affect a Social Security survivor's benefit unless the survivor (often the widow) is also a retired government employee.

Receiving Benefits While Still Working

You can get Social Security retirement or survivor benefits and work at the same time. **If you claim your benefit at full retirement age or later and you are still earning income, your benefit will not be impacted no matter how much you earn.**

However, if you claim your benefit *before* full retirement age and make more than the Social Security annual earnings limit, Social Security will reduce your benefit. For example, if you are under full retirement age for the entire year, Social Security will withhold \$1 from your benefit payments for every \$2 you earn above the annual limit. For 2024, the annual earnings limit is \$22,320.

If you reach full retirement age in 2024, you can earn up to \$59,520 before Social Security will withhold \$1 in benefits for every \$3 you earn over the limit. Social Security will also only count your earnings up to the month before you reach your full retirement age, not your earnings for the entire year. Then starting with the month you reach full retirement age, Social Security will not reduce your benefits no matter how much you earn.

But these are only benefit reductions in the short run; your benefit will be recalculated and adjusted upward at your full retirement age to account for benefits withheld or reduced due to earlier earnings.