

Social Security Administration

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Monthly Information Package February 2014

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Social Security Column

DISABILITY BENEFITS FOR WHAT (SEVERELY) AILS YOU

By Bob Simpson

Social Security District Manager in Traverse City

The month of February is a time to recognize a number of unfortunate ailments that disable and take the lives of too many people.

February is American Heart Month, focusing on heart disease and how to prevent it. Every year more than 700,000 Americans have a heart attack and about 600,000 die from heart disease — making up about a fourth of the nation's deaths. National Wear Red Day, February 7, also focuses on heart disease — the number one killer of women.

February 4 is World Cancer Day, a chance to raise our collective voices in the name of improving knowledge about cancer. February 14 is National Donor Day, encouraging everyone to become an organ donor, giving the ultimate Valentine to someone in need.

These awareness campaigns remind us how critically important Social Security disability benefits are for people with severe disabilities and their families.

Many people do not like to think about disability. However, the onset of disability is unpredictable and can happen to anyone at any age. The unfortunate reality is that one in four 20-year-old workers become disabled before reaching retirement age. When severe illness or injury robs a person of the ability to work and earn a living, Social Security disability benefits can provide a critical source of financial support at a time of need.

When you work and pay Social Security taxes, you earn credits. These credits count toward retirement, survivors, and disability benefits. The number of credits you need to qualify for disability benefits depends on your age, and some of the work must be recent. For example, the younger you are the fewer credits you need to have. For most people, you need to have worked at

least a total of 10 years, but if you are younger, you may qualify with as little as a year and a half of work.

You don't need to have had a heart attack, organ transplant, or cancer to qualify for disability benefits. However, you must have a disability that is severe enough to render you unable to work and that is expected to last a year or longer, or result in death.

If you have such a disability, you should start your application now. That's because it takes time to determine whether you qualify for benefits. It usually takes three to four months for a medical decision from the state agency that evaluates your condition. If your application is approved, your first Social Security disability payment will be made for the sixth full month after the date the state agency determines that you qualify for disability benefits. For example, if the state agency determines you qualify for disability benefits effective January 15, your first disability payment would be paid for the month of July. (Your July payment would be received in August.)

It's in your best interest to do everything you can to help speed the process. The best first step is for you to read our online publication, *Disability Benefits*, at www.socialsecurity.gov/pubs. It will tell you all about the process, including the information you will need to apply for benefits.

Then, take advantage of our online disability starter kits. We have one starter kit for children and one for adults, and both are available in English and Spanish. The starter kit will help you get ready for your disability interview or online application, and provides information about the specific documents and the information that we will request from you. You will find the starter kits on our disability website at www.socialsecurity.gov/disability, under Apply for Benefits.

Once you complete your online disability starter kit and you're ready to apply, the most convenient way to accomplish this is also online. Just visit www.socialsecurity.gov/applyfordisability to begin.

Social Security Column

SOCIAL SECURITY VARIETY SAMPLER

By Bob Simpson

Social Security District Manager in Traverse City

February is National Chocolate Lover's Month. So please accept as our gift to you this variety sampler of Social Security's sweetest online services.

Forrest Gump's momma always said life was like a box of chocolates. "You never know what you're gonna get." But when it comes to Social Security, you'll know exactly what to expect after browsing this assortment of convenient, secure, and free online services.

Take this one: an easy way to find how you can get or replace your Social Security card at www.socialsecurity.gov/ssnumber.

Next, the one with two pieces in the same wrapper: our *Retirement Estimator*. You can use it as many times as you'd like, changing variables such as retirement date options and future earnings, to get instant, personalized estimates of your future benefits at www.socialsecurity.gov/estimator.

The one in the center may be the best one of all: an online application for retirement benefits that you can complete and submit in as little as 15 minutes at www.socialsecurity.gov/planners/about.htm.

Check out the one wrapped in gold foil: a convenient way to apply for disability benefits at www.socialsecurity.gov/applyfordisability.

And the one in the corner: an online application for Medicare that lets you complete an application for Medicare benefits in as little as 10 minutes, at www.socialsecurity.gov/medicareonly.

Another sweet option: *Extra Help* with Medicare prescription drug costs. You can learn more and apply online at www.socialsecurity.gov/prescriptionhelp.

The sampler is still more than half full, but you may as well enjoy one more: *my Social Security* is an online account that allows you immediate access to your personal Social Security information. During your working years, once you create your online account, you can use *my Social Security* to view your *Social Security Statement* to check your earnings record and see estimates of the future retirement, disability, and survivor benefits you and your family may receive. Check it out at www.socialsecurity.gov/myaccount. Are you already receiving benefits? You can use your online account to immediately get your proof of benefits letter, change your address or phone number on our records, start or change your direct deposit information, and check your benefit and payment information.

It's always nice when a box of assorted chocolates includes a diagram. That's why we invite you to visit our convenient publication library with online booklets and pamphlets on numerous subjects, at www.socialsecurity.gov/pubs.

Whether you're enjoying chocolates because it's Valentine's Day or Chocolate Lover's Month, keep in mind the number one reason why Social Security's online services are even better than a box of chocolates: you'll always know exactly what you're gonna get.

Social Security Column

ARE YOUR SOCIAL SECURITY BENEFITS TAXABLE?

By Bob Simpson

Social Security District Manager in Traverse City

If you've recently begun receiving Social Security benefits or plan to apply in the near future, you may be wondering this tax season: are Social Security benefits taxable?

The short answer is: sometimes.

Some people have to pay federal income taxes on their Social Security benefits. This usually happens only if you have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to your Social Security benefits.

There is never a case when a person pays tax on more than 85 percent of his or her Social Security benefits, based on Internal Revenue Service (IRS) rules. Now, let's get down to the numbers.

If you file a federal tax return as an individual and your income is between \$25,000 and \$34,000, you may have to pay income tax on up to 50 percent of your benefits. If your income is more than \$34,000, then up to 85 percent of your benefits may be taxable.

If you are married and you file a joint return, and you and your spouse have a combined income that is between \$32,000 and \$44,000, you may have to pay income tax on up to 50 percent of your benefits. If your combined income is more than \$44,000, then up to 85 percent of your benefits may be taxable.

Note that your “income” for the purpose of determining whether you must pay taxes on some of your Social Security benefits includes your adjusted gross income, your nontaxable interest, and one half of your Social Security benefits.

In January, you should have received a *Social Security Benefit Statement* showing the amount of benefits you received last year. You can use this statement, or SSA-1099, when completing your federal income tax return to find out whether some of your benefits are subject to federal income tax. If you didn’t receive yours, you can request one at www.socialsecurity.gov/1099.

So, are your Social Security benefits taxable? Maybe. To learn more, read page 14 of our booklet, *Retirement Benefits*, available at www.socialsecurity.gov/pubs or visit www.irs.gov/ to obtain more detailed information on the subject.

Social Security Column

OLYMPIANS OF (SOCIAL) SECURITY

By Bob Simpson

Social Security District Manager in Traverse City

While the eyes of the world focus on the XXII Winter Olympics in the resort town of Sochi, Russia this month, we'd like to bring your attention to another worthy focal point: internet safety.

February 11 is Safer Internet Day. If there were an Olympic event for safe Internet transactions, we believe the Social Security Administration would be in the running for a gold medal. We take Internet security seriously. After all, Security is our middle name.

What are some of the convenient, safe, and secure things you can do online at www.socialsecurity.gov?

You can get a personalized estimate of your future benefits using our *Retirement Estimator*. Apply for retirement or disability benefits. If you don't plan to retire but you want to apply only for Medicare at age 65, you can do it online. You can even establish and maintain a *my Social Security* account at any age to access all your personal Social Security information at any time convenient for you. All of these things can be done in minutes, and you don't have to worry about security issues. On Safer Internet Day and every day, your information is secure with us.

If you've experienced a safe, convenient service at our website, why not share the experience at our social media hub? Of course, you'll want to be careful not to post any personal identifying information, such as your Social Security number. But whether you want to spread the word about Safer Internet Day or share an experience you've had dealing with Social Security, we encourage you to join us on Facebook, Twitter, YouTube, and Pinterest. You'll find these connections, along with the ability to get email updates, view the photo blog, join webinars and more at our social media hub. Just visit www.socialsecurity.gov/socialmedia.

The next Olympic event is about to begin in Sochi. But remember that the Social Security Administration gets a gold medal when it comes to safe transactions on the Internet. Security is our middle name.

Social Security Column

YOUR SPOUSE MAY BE COVERED BY SOCIAL SECURITY

By Bob Simpson

Social Security District Manager in Traverse City

If you have a spouse who does not earn an income or who earns less than you do, your spouse (including a same-sex spouse) may be entitled to Social Security spouses' benefits based on your record.

Social Security can be an important financial asset for married couples when the time comes to apply for retirement benefits. In many cases, one spouse may have earned significantly more than the other, or may have worked longer. Or it could be that one spouse stayed home to do the work of raising the children, caring for elderly family members, or managing the household while the other focused on a career.

Whatever your situation, Social Security will look at all possibilities to make sure both spouses receive the maximum Social Security benefits possible, whether based on each spouse's earnings record or the higher wage-earner's record.

Your spouse can apply for benefits the same way that you apply for benefits on your own record. He or she can apply for reduced benefits as early as age 62, or for 100 percent of the full retirement benefits at "full retirement age." Not sure what the full retirement ages are? To learn your and your spouse's full retirement ages, based on birth year, visit www.socialsecurity.gov/pubs/ageincrease.htm.

The benefit amount your spouse can receive at full retirement age can be as much as one half of your full benefit. If your spouse opts for early retirement, the benefit may be as little as a third of your full benefit amount. Note that benefits paid to your spouse do not decrease your benefit amount.

If you have already reached full retirement age but continue to work, you can apply for retirement benefits and request to have the payments suspended until as late as age 70. This would let you earn delayed retirement credits that will mean higher payments later, but still would allow your spouse to receive a spouse's benefit.

People can also apply for spouse benefits based on the earnings record of an ex-spouse or deceased spouse if married for at least 10 years. Spouses can consider a number of options and variables. We make it easier to navigate them. A good place to start is by visiting our benefits planner at www.socialsecurity.gov/planners. Take note of the "Benefits As A Spouse" section.

If you are ready to apply for benefits, the fastest, easiest, and most convenient way is to apply online! You can do so at www.socialsecurity.gov/applyonline and complete your application in as little as 15 minutes.

Due to a Supreme Court decision, we now are able to pay benefits to some same-sex couples. We encourage people who think they may be eligible to apply now. Learn more at www.socialsecurity.gov/same-sex-couples.

Whether you receive benefits on a spouse's record or your own, rest assured we will make sure you get the highest benefit for which you qualify. Learn more at www.socialsecurity.gov.

QUESTIONS AND ANSWERS

GENERAL

Question:

My spouse died recently and my neighbor said my children and I might be eligible for survivors benefits. Don't I have to be retirement age to receive benefits?

Answer:

No. As a survivor, you can receive benefits at any age if you are caring for a child who is receiving Social Security benefits and who is under age 16. Your children are eligible for survivors benefits through Social Security up to age 19 if they are unmarried and attending elementary or secondary school full time. If you are not caring for minor children, you would need to wait until age 60 (age 50 if disabled) to collect survivors benefits. For more information about survivors benefits, read our publication *Survivors Benefits* at www.socialsecurity.gov/pubs.

Question:

I run a bed and breakfast. By this time every year, I am tired of all the paperwork involved with filing taxes. Is there an easier way for small businesses to file W-2s for their employees?

Answer:

Absolutely. If you are a small business owner or entrepreneur, you should check out Social Security's Business Services Online (BSO) website. There, you can file your employees' W-2s and W-2cs electronically and print out the W-2s to provide paper copies to your employees. You also can verify the Social Security numbers of your employees. Our online services are easy to use, fast, and secure. Visit our BSO page at www.socialsecurity.gov/bsa.

RETIREMENT

Question:

Will my military retirement affect my Social Security benefits?

Answer:

No. You can get both Social Security benefits and military retirement. Generally, there is no offset of Social Security benefits because of your military retirement. You will get full benefits based on your earnings. The only way your Social Security benefit may be reduced is if you also receive a government pension based on a job in which you did not pay Social Security taxes. You can find more information in the publication *Military Service and Social Security* at www.socialsecurity.gov/pubs. Or call us at 1-800-772-1213 (TTY 1-800-325-0778).

Question:

I'm retired and the only income I have is a monthly withdrawal from an Individual Retirement Account (IRA). Are the IRA withdrawals considered "earnings?" Could they reduce my monthly Social Security benefits?

Answer:

No. We count only the wages you earn from a job or your net profit if you're self-employed. Non-work income such as pensions, annuities, investment income, interest, capital gains and other government benefits are not counted and will not affect your Social Security benefits. For more information, visit our website at www.socialsecurity.gov or call us toll-free at 1-800-772-1213 (TTY 1-800-325-0778).

DISABILITY

Question:

I applied for Disability benefits, but was denied. I'd like to appeal. Can I do it online?

Answer:

Yes — in fact, the best way to file a Social Security appeal is online. Our online appeal process is convenient and secure. Just go to www.socialsecurity.gov/disability/appeal to appeal the decision. For people who don't have access to the Internet, you can call us at 1-800-772-1213 (TTY 1-800-325-0778) to schedule an appointment to visit your local Social Security office to file your appeal.

Question:

It's hard for me to get around because of my disability. Can I apply for disability benefits from home?

Answer:

Yes — in fact, the best way to apply for disability benefits is online. Our online disability application is convenient and secure. You can apply for benefits over the Internet at www.socialsecurity.gov/applyfordisability. If you do not have access to the Internet, you can call us at 1-800-772-1213 (TTY 1-800-325-0778) to schedule an appointment to visit your local Social Security office to apply. However you decide to apply, begin by looking at our Disability Starter Kit at www.socialsecurity.gov/applyfordisability. It will help you prepare for your application or interview.

SUPPLEMENTAL SECURITY INCOME

Question:

My daughter is nineteen years old. In her senior year of high school, she had an accident that paralyzed her. It doesn't look like she will be able to work in the near future, and since she has never worked she hasn't paid Social Security taxes. Can Social Security still help her?

Answer:

Your daughter may qualify for Supplemental Security Income (SSI) benefits. SSI is a needs-based program paid for by general revenue taxes and run by Social Security. It helps provide monetary support to people who are disabled and who have not paid enough in Social Security taxes to qualify for Social Security disability benefits. To qualify for SSI, a person must be disabled, and have limited resources and income. For more information, visit our website and check out our publication, *You May Be Able To Get SSI*, at www.socialsecurity.gov/pubs.

Question:

My dad receives Supplemental Security Income (SSI) benefits. He soon will be coming to live with me. Does he have to report the move to Social Security?

Answer:

Yes. He should report any change in his living arrangements within 10 days. The change may affect his benefit amount. Also, we need his correct address so we can send correspondence when needed, even if he receives his payments electronically. He can report the change by mail or in person at a Social Security office. Or, have him call Social Security at 1-800-772-1213 (TTY 1-800-325-0778). Changes must be reported promptly or a penalty may be charged and held from future benefits. For more information about the kinds of changes that need to be reported, read the publication *What You Need To Know When You Get SSI* at www.socialsecurity.gov/pubs.

*MEDICARE***Question:**

If I retire at age 62, will I be eligible for Medicare?

Answer:

No. Medicare starts when you reach 65. If you retire at 62, you may be able to continue medical insurance coverage through your employer or purchase it from a private insurance company until you become eligible for Medicare. For more information see our publication, *Medicare*, at www.socialsecurity.gov/pubs, or call us at 1-800-772-1213 (TTY 1-800-325-0778).