

Social Security Administration

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Social Security Column

YOUR CONTRIBUTIONS HELP MILLIONS

By Bob Simpson

Social Security District Manager in Traverse City



Seeing taxes taken out of your paycheck can be confusing when you get your first paycheck. But understanding how important your contribution is can help. Your taxes are helping millions of Americans — wounded warriors, the chronically ill, and people with disabilities — as well as protecting you and your family for life. You can take pride in knowing you’re making an important impact with each paycheck.

By law, employers must withhold Social Security taxes from a worker’s paycheck. While often referred to as “Social Security taxes” on an employee’s pay statement, sometimes the deduction is labeled as “FICA” which stands for Federal Insurance Contributions Act, a reference to the original Social Security Act. In some cases, you will see “OASDI” which stands for Old Age, Survivors, and Disability Insurance.

The taxes you pay now translate to a lifetime of protection — for retirement in old age or in the event of disability. And if you die, your family (or future family) may be able to receive survivors benefits based on your work as well.

Because you may be a long way from retirement, you might have a tough time seeing the value of benefit payments that could be many decades in the future. But keep in mind that the Social Security taxes you're paying can provide valuable disability or survivors benefits now in the event the unexpected happens. Studies show that of today's 20-year-olds, about one in four will become disabled, and about one in eight will die before reaching retirement.

If you'd like to learn a little more about Social Security and exactly what you're building up for yourself by paying Social Security taxes, take a look at our online booklet, *How You Earn Credits*, at www.socialsecurity.gov/pubs/10072.html.

If you have a friend who lost a parent when they were a child, they probably got Social Security survivors benefits. Social Security helps by providing income for the families of workers who die. In fact, 98 of every 100 children could get benefits if a working parent dies. And Social Security pays more benefits to children than any other federal program. You can learn more at www.ssa.gov/benefits/survivors/.

Do you prefer videos to reading? Check out the webinar, "Social Security 101: What's in it for me?" The webinar explains what you need to know about Social Security. You can find it at www.socialsecurity.gov/multimedia/webinars/social_security_101.html as well as on YouTube at <http://www.youtube.com/watch?v=5hkLaBiavqQ>.

Social Security is with you through life's journey. You can learn more at <http://www.socialsecurity.gov>.

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Social Security Column

WHEN IS A GOOD TIME TO START RECEIVING SOCIAL SECURITY BENEFITS?

By Bob Simpson

Social Security District Manager in Traverse City



After a lifetime of working, you deserve a comfortable retirement. For over 80 years, Social Security has been helping people shape their future, assisting them with a variety of benefits. It's up to you as to when you can start retirement benefits. You could start them a little earlier or wait until your "full retirement age," or delay retirement to get extra money each month. There are benefits to either decision.

Full retirement age refers to the age when a person can receive their Social Security benefits without any reduction, even if they are still working part or full time. In other words, you don't actually need to stop working to get your full benefits.

For people who reach age 62 in 2018 (i.e., those born between January 2, 1956 and January 1, 1957), full retirement age is 66 and four months. Full retirement age was age 65 for many years. However, due to a law passed by Congress in 1983, it has been gradually increasing, beginning with people born in 1938 or later, until it reaches 67 for everybody born after 1959.

You can learn more about the full retirement age and find out how to look up your own at <http://www.socialsecurity.gov/planners/retire/retirechart.html>.

You can start receiving Social Security benefits as early as age 62 or any time after that. The longer you wait, the higher your monthly benefit will be, although it stops increasing at age 70. Your monthly benefits will be reduced permanently if you start them any time before your full retirement age. For example, if you start receiving benefits in 2018 at age 62, your monthly benefit amount will be reduced permanently by nearly 27 percent.

On the other hand, if you wait to start receiving your benefits until after your full retirement age, then your monthly benefit will be higher. The amount of this increase is two-thirds of one percent for each month — or eight percent for each year — that you delay receiving them until you reach age 70. The choices you make may affect any benefit your spouse or children can receive on your record, too. If you receive benefits early, it may reduce their potential benefit, as well as yours.

You need to be as informed as possible when making any decision about receiving Social Security benefits. Read the publication *When to Start Receiving Retirement Benefits* at <http://www.socialsecurity.gov/pubs/EN-05-10147.pdf>.

When to start receiving retirement benefits is a personal decision based on your own situation. Check out our *Retirement Checklist* at <http://www.socialsecurity.gov/pubs/EN-05-10377.pdf> to learn about additional factors to consider as you think about when to start receiving your retirement benefits.

If you decide to receive benefits before you reach full retirement age, you should also understand how continuing to work can affect your benefits. Social Security may withhold or reduce your benefits if your annual earnings exceed a certain amount. However, for every month benefits are withheld, it may increase your future benefits. That's because at your full retirement age Social Security will recalculate your benefit amount to give you credit for the months in which benefits were reduced or withheld due to your excess earnings. You can learn more at <http://www.socialsecurity.gov/planners/retire/whileworking.html>.

Social Security's mission is to secure your today and tomorrow. You can learn more by visiting our Retirement Planner at <http://www.socialsecurity.gov/planners/retire>.

Social Security Column

WOMEN'S HISTORY AND SOCIAL SECURITY

By **Bob Simpson**

Social Security District Manager in Traverse City



March is Women's History Month. This is a time to focus not just on women's achievements, but on the challenges women continue to face. In the 21st century, more women work, pay Social Security taxes, and earn credit toward monthly retirement income than at any other time in our nation's history. Knowing this, you can take control of your own rich and independent history, with knowledge you can get from Social Security.

Social Security has served a vital role in the lives of women for over 80 years. With longer life expectancies than men, women tend to live more years in retirement and have a greater chance of exhausting other sources of income. With the national average life expectancy for women in the United States rising, many women may have *decades* to enjoy retirement. According to the U.S. Census Bureau, a female born today can expect to live more than 80 years. As a result, experts generally agree that if women want to ensure that their retirement years are comfortable, they need to plan early and wisely.

A great place to start is with Social Security's *Retirement Estimator*. It gives you a personalized estimate of your retirement benefits. Plug in different retirement ages and projected earnings to get an idea of how such things might change your future benefit amounts. You can use this valuable tool at <http://www.socialsecurity.gov/estimator>.

You should also visit Social Security's financial planning website at <http://www.socialsecurity.gov/planners>. It provides detailed information about how marriage, widowhood, divorce, self-employment, government service, and other life or career events can affect your Social Security.

Your benefits are based on your earnings, so you should create your personal *my Social Security* account to verify that your earnings were reported correctly. Your account also can provide estimates of your future retirement, disability, and survivors benefits. You can access *my Social Security* at www.socialsecurity.gov/myaccount.

If you want more information about how Social Security supports women through life's journey, Social Security has a booklet that you may find useful. It's called *Social Security: What Every Woman Should Know*. You can find it online at <http://www.socialsecurity.gov/pubs/10127.html>.

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Social Security Column

FIVE FACTS YOU MIGHT NOT KNOW ABOUT SOCIAL SECURITY

By **Bob Simpson**

Social Security District Manager in Traverse City



Most people know at least something about Social Security. For decades, Social Security has been providing valuable information and tools to help you build financial security. Here's your opportunity to find out a little more, with some lesser-known facts about Social Security.

1. Social Security pays benefits to children.

Social Security pays benefits to unmarried children whose parents are deceased, disabled, or retired. See *Benefits for Children* at www.socialsecurity.gov/pubs/EN-05-10085.pdf for the specific requirements.

2. Social Security can pay benefits to parents.

Most people know that when a worker dies, we can pay benefits to surviving spouses and children. What you may not know is that under certain circumstances, we can pay benefits to a surviving parent. Read our Fact Sheet *Parent's Benefits*, available at www.socialsecurity.gov/pubs/EN-05-10036.pdf, for the details.

3. Widows' and widowers' payments can continue if remarriage occurs after age 60.

Remarriage ends survivor's benefits when it occurs before age 60, but benefits can continue for marriages after age 60.

4. If a spouse draws reduced retirement benefits before starting spouse's benefits (his or her spouse is younger), the spouse will not receive 50 percent of the worker's benefit amount.

Your full spouse's benefit could be up to 50 percent of your spouse's full retirement age amount if you are full retirement age when you take it. If you qualify for your own retirement benefit and a spouse's benefit, we always pay your own benefit first. (For example, you are eligible for \$400 from your own retirement and \$150 as a spouse for a total of \$550.) The reduction rates for retirement and spouses benefits are different. If your spouse is younger, you cannot receive benefits unless he or she is receiving benefits (except for divorced spouses). If you took your reduced retirement first while waiting for your spouse to reach retirement age, when you add spouse's benefits later, your own retirement portion remains reduced which causes the total retirement and spouses benefit together to total less than 50 percent of the worker's amount. You can find out more at www.socialsecurity.gov/OACT/quickcalc/spouse.html.

5. If your spouse's retirement benefit is higher than your retirement benefit, and he or she chooses to take reduced benefits and dies first, you will never receive more in benefits than the spouse received.

If the deceased worker started receiving retirement benefits before their full retirement age, the maximum survivors benefit is limited to what the worker would receive if they were still alive. See www.socialsecurity.gov/planners/survivors/survivorchartred.html for a chart.

Social Security helps secure your financial future by providing the facts you need to make life's important decisions.

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Social Security Column

CONNECTING WITH SOCIAL SECURITY

By Bob Simpson

Social Security District Manager in Traverse City



Every day thousands use it to do business with Social Security. We strive to offer the kind of services that meet people's needs. And sometimes you want fast and direct answers over the phone. We have that option.

You can call us toll free at 1-800-772-1213. Social Security offers some automated services that allow people to receive service without waiting to speak to a representative. The automated services are available 24 hours a day and include some of the most popular services that people need. With automated services, you can request a benefit verification (proof of income) letter, replace a lost SSA-1099 (tax summary needed for taxes), request a replacement Medicare card, ask for form SSA-1020 to apply for help with Medicare prescription drug costs, or request an SS-5 application for a Social Security card.

When our automated services ask such things as, "How can I help you?" Just say, "Get a proof of income letter" or "Replace Medicare card." Next, you will be asked for some personal information to identify yourself, then we will respond to your request. We will mail you the document or form you requested. It takes less time to use automated services than to reach a representative by phone on a busy day.

Sometimes, you just need Social Security information such as, “What date will my check arrive?” or “What is the SSI program?” Automated services feature some informational messages about these popular topics. If payment delivery date is the type of info you need, when asked “How can I help you?” just reply “Payment delivery date.” You will hear a recorded message stating the current month and the future month’s payment dates. Other topics include direct deposit, SSI messages, the cost-of-living adjustment, Medicare prescription drug program, tax information, representative payee, and fraud. Dial, and listen — what a simple way to stay informed.

Whether you use our automated services, speak to a representative by phone, use our website, or visit an office, Social Security wants to connect with you. Connection is a vital part of helping you secure your today and tomorrow. To connect with us through our automated services, visit <http://www.socialsecurity.gov/agency/contact/phone.html>.

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