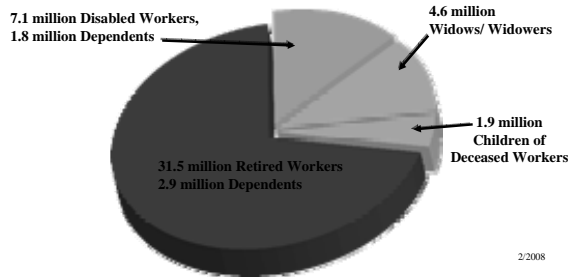


Who Gets Benefits from Social Security?

50 million people



2/2008

4

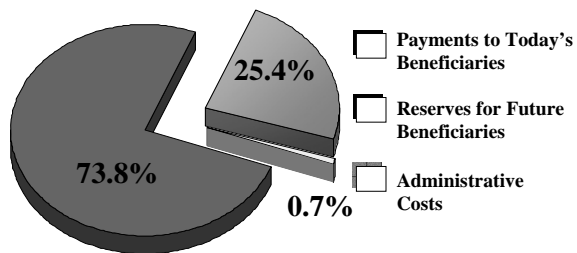
Importance of Social Security to Young Americans



- Almost 3 in 10 of today's 20-year-olds will become disabled before reaching age 67
- About 1 in 7 of today's 20-year-olds will die prior to age 67

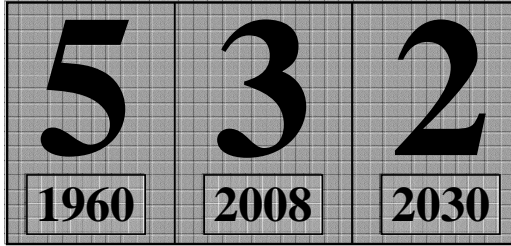
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How Is Social Security Income Spent?



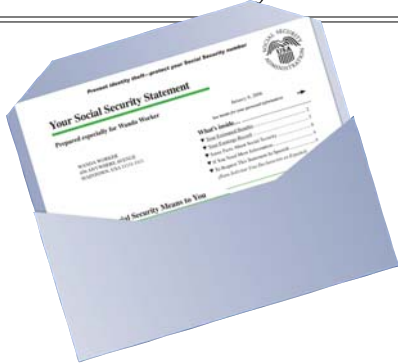
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**The Number of Workers
per Beneficiary is Decreasing**



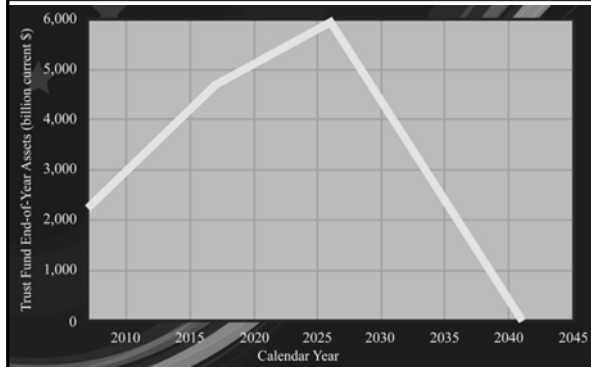
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The Social Security Statement

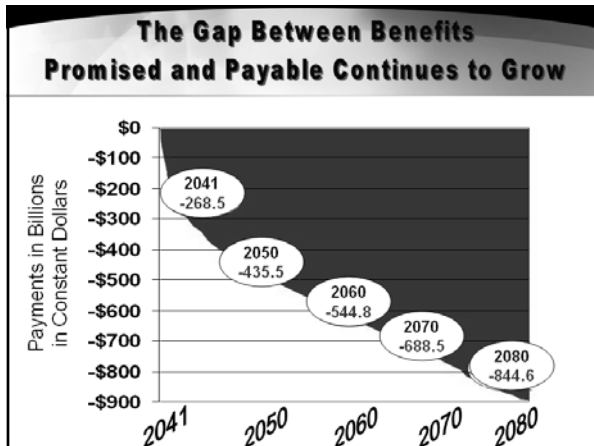


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**In 2017, Social Security Will Begin Paying
More in Benefits than is Collected in Taxes**



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Social Security Cost-of-Living Adjustments

Effective Date	Amount	Effective Date	Amount
June 1975	8%	Dec 1992	3%
June 1976	6.4%	Dec 1993	2.6%
June 1977	5.9%	Dec 1994	2.8%
June 1978	6.5%	Dec 1995	2.6%
June 1979	9.9%	Dec 1996	2.9%
June 1980	14.3%	Dec 1997	2.1%
June 1981	11.2%	Dec 1998	1.3%
June 1982	7.4%	Dec 1999	2.5%
Dec 1983	3.5%	Dec 2000	3.5%
Dec 1984	3.5%	Dec 2001	2.6%
Dec 1985	3.1%	Dec 2002	1.4%
Dec 1986	1.3%	Dec 2003	2.1%
Dec 1987	4.2%	Dec 2004	2.7%
Dec 1988	4%	Dec 2005	4.1%
Dec 1989	4.7%	Dec 2006	3.3%
Dec 1990	5.4%	Dec 2007	2.3%
Dec 1991	3.7%		

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Value of Inflation Protection

5 th Year of Retirement	
Pension	\$13,000/47%
Social Security	\$14,632/53%
10 th Year of Retirement	
Pension	\$13,000/43%
Social Security	\$16,962/57%
20 th Year of Retirement	
Pension	\$13,000/36%
Social Security	\$22,796/64%

example continued:
Worker with average pre-retirement income of \$30,000

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You Need to Work to Earn Social Security Credits

- Each \$1,090 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



Example: To earn 4 credits in 2009, you must earn at least \$4,360. Earning 40 credits throughout your working life will qualify you for a retirement benefit.

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How Social Security Determines Your Benefit

Social Security benefits are based on earnings

Step 1	Your wages are adjusted for changes in wage levels
Step 2	Find the monthly average of your 35 highest earnings years
Step 3	Result is "average indexed monthly earnings"

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Your Age When You Retire Affects Your Benefits

If You're a Worker and Retire

- At age 62, you get a lower monthly payment permanently
- At your full retirement age, you get your full benefit
- You get an even higher monthly payment if you work past your full retirement age

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Full Retirement Age

Year of Birth	Full Retirement Age
1937 or earlier	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 or later	67

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Full Retirement Age

If you were born between 1943 and 1954
Your full retirement age is 66

How Your Social Security Benefit is Reduced

If you start getting benefits at age	And you are the ...	
	Wage Earner, the Retirement Benefit you will receive is reduced to	Spouse, the Retirement Benefit you will receive is reduced to
62	75.0%	35.0%
62 + 1 month	75.4	35.2
62 + 2 months	75.8	35.4
62 + 3 months	76.3	35.6
62 + 4 months	76.7	35.8
62 + 5 months	77.1	36.0
62 + 6 months	77.5	36.3
62 + 7 months	77.9	36.5
62 + 8 months	78.3	36.7
62 + 9 months	78.8	36.9
62 + 10 months	79.2	37.1
62 + 11 months	79.6	37.3
63	80.0	37.5
63 + 1 month	80.4	37.8
63 + 2 months	81.1	38.2
63 + 3 months	81.7	38.5
63 + 4 months	82.2	38.9
63 + 5 months	82.8	39.2
63 + 6 months	83.3	39.6
63 + 7 months	83.9	39.9
63 + 8 months	84.4	40.3
63 + 9 months	85.0	40.6
63 + 10 months	85.6	41.0
63 + 11 months	86.1	41.3
64	86.7	41.7

What Should You Do to Prepare for Your Retirement?

Get estimates of benefits using different retirement ages and wage estimates



www.socialsecurity.gov

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You Can Work & Still Receive Benefits



If You Are	You Can Make Up To	If You Make More, Some Benefits Will Be Withheld
Under Full Retirement Age	\$14,160/yr. (\$1,180/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$37,680/yr. (\$3,140/mo.)	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

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In Addition to the Retiree, Who Else Can Get Benefits?

Your Spouse

- At age 62
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify

Your Child

- Not married under 18
(under 19 if still in high school)
- Not married and disabled before age 22

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Who Can Get Survivors Benefits?

Widow or Widower:

- Reduced benefits at age 60
- If disabled as early as age 50
- At any age if caring for child under 16 or disabled
- Divorced widows/widowers may qualify

Your Child if:

- Not married under age 18 (under 19 if still in high school)
- Not married and disabled before age 22

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Who Can Get Disability Benefits?

Worker

- Must have paid into Social Security five out of last 10 years



Spouse

- At age 62
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify



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Social Security's Disability Definition:

A medical condition preventing substantial work for at least 12 months, or expected to result in death. The determination also considers age, education & work experience.

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Supplemental Security Income

Who Can Get SSI?

- Age 65 or older
- Blind - any age
- Disabled - any age
- Limited income
- Limited resources

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Windfall Elimination Provision

If any part of your government pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.

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Windfall Elimination Provision (WEP) - 2008

Normal Computation	WEP Computation
90% of the First \$711	40% of the First \$711
32% of the Next \$3,577	32% of the Next \$3,577
15% of the Remainder	15% of the Remainder

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Government Pension Offset (GPO)

Spouse's Benefits Only

2/3 of amount of government pension will be used to reduce the Social Security spouse's benefits



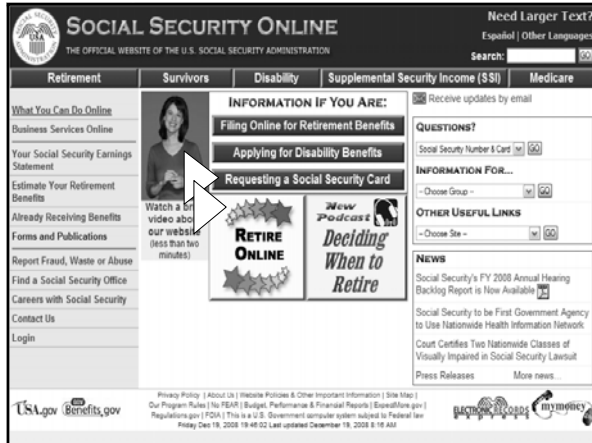
Example:
\$900 of government pension $2/3 =$ \$600
Social Security spouse's benefits = \$500
No cash benefit payable by Social Security

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What Will You Need When Applying for Your Social Security Benefits?

- ✓ Social Security number for each applicant
- ✓ Proof of age (birth certificate)
- ✓ Latest W-2 or self-employment tax return
- ✓ Earnings estimate
- ✓ Bank information for direct deposit
- ✓ Information about marriages/divorces
- ✓ Information about military or railroad service

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Social Security's Online Services



- Retirement & Disability Applications
- Apply for Extra Help
- Retirement/Survivors/Disability Planner
- Request a *Statement*
- Change of Address
- Medicare Card Replacements
- Request a Benefit Verification Letter
- Start or Change Direct Deposit

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Who Can Get Medicare?

- 65 & older
- or
- Receiving Social Security disability benefits at least 24 months
- or
- Permanent kidney failure
- or
- Amyotrophic Lateral Sclerosis (ALS)

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When Can I Sign Up for Medicare?



Medicare Enrollment Periods:

- Initial - at age 65
- Special - if still working
- General - January-March

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Medicare Coverage

- Part A Hospital Insurance
 - Covers most inpatient hospital expenses.
 - 2009 Deductible \$1,068
- Part B Supplementary Medical Insurance
 - Covers 80% doctor bills & other outpatient medical expenses after 1st \$135 in approved charges.
 - 2009 Monthly Premium \$96.40
- Part D Medicare Prescription Drug Plan
 - Covers a major portion of prescription drug costs for Medicare beneficiaries.
 - 2009 average Monthly Premium \$27.93

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Extra Help Could Further Reduce Medicare Prescription Drug Costs

Extra help is available for low income beneficiaries to pay for part of the Medicare Part D monthly premiums, annual deductibles and prescription co-payments. The extra help could be worth more than \$3,700 per year.

Go online to www.socialsecurity.gov to apply for extra help.

For More Information

1-800-MEDICARE
www.medicare.gov

Senior Linkage Line
800 333 2433
