

Social Security Column

GET YOUR RETIREMENT SOARING

By Bob Trotter

Social Security Public Affairs Specialist in Milwaukee, WI

Wright Brothers Day, observed on December 17, marks the day in 1903 that two adventurous brothers in Kitty Hawk, North Carolina took to the air for the first time. It was a modern miracle at the time and a catalyst for the age of intercontinental travel. Over a hundred years later, it's commonplace for people to fly across the country. Most of us don't consider all the preparation and patience it took to achieve this modern feat of flight.

Luckily, planning your financial future isn't as daunting as pioneering modern aviation. Social Security has secure and easy-to-use online resources that can ensure your retirement soars above the clouds. The sooner you start planning for retirement, the better prepared you'll be. Just like building a reliable airplane, you'll need finely tuned parts that will work together for you to take flight.

Think of your retirement strategy as a flight plan that propels you higher. We have many resources at www.socialsecurity.gov/planners/retire that help you find the age at which you may first become entitled to unreduced retirement benefits, estimate your life expectancy, and calculate your estimated benefits. These tools explain how much money you will need and for how long — something you can adjust through personal savings, pensions, and other benefits.

You can also get personalized benefit estimates using the *Retirement Estimator* at www.socialsecurity.gov/estimator. The *Estimator* shows different scenarios, like how future wage changes or alternate retirement dates will affect your future benefits. Benefit amounts may differ from the estimates provided because:

- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they may be adjusted for cost-of-living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change because, by 2034, the payroll taxes collected under current law will be enough to pay only about 79 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.

As you can see, your flight plan to retirement may change over your lifetime. It's important you understand that no matter where life takes you, the long journey to retirement is one of your most important trips. With every right decision, you're making your retirement flight plan a success that will carry you through the heights of your golden years.

It's never too early to start planning. Whether you are nearly ready to retire or if you're just getting off the ground in your career, I recommend you create your own *my Social Security* account so you can also learn about all the future benefits available to you. Visit www.socialsecurity.gov/myaccount to create your account.

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BE PREPARED WHEN DISASTER STRIKES

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For many of us, preparing for winter involves pulling out heavy coats from the closet and making sure our vehicle is ready for intense weather. Whether your winter brings snow, ice, or flooding, you need to be prepared.

Preparing for a possible physical or mental disability is the same. Many people don't think of disability as something that could happen to them. Statistics show the chances of becoming disabled are greater than most realize. Fifty-six million Americans, or 1-in-5, live with a disability. Thirty-eight million Americans, or 1-in-10, live with a severe disability. A sobering fact for 20 year-olds is that more than a quarter of them will become disabled before reaching retirement age. Disability can happen to anyone. But who is prepared?

When disability does happen, Social Security can help people meet their basic needs. Our disability programs provide financial and medical benefits for those who qualify to pay for doctors' visits, medicines, and treatments. You can learn more about how you might be covered if you are disabled at www.socialsecurity.gov/planners/disability.

Social Security pays benefits to people who worked and paid Social Security taxes, but who can no longer work and whose medical condition meets the strict definition of disability under the Social Security Act. A person is considered disabled under this definition if he or she cannot work due to a severe medical condition that has lasted or is expected to last at least one year or result in death.

The person's medical condition must prevent him or her from doing work that he or she did in the past, and it must prevent the person from adjusting to other work based on their age, education, and experience.

Supplemental Security Income (SSI), our other disability program, is a needs-based program for people with limited income and resources.

You can find all the information you need about eligibility and benefits available to you by reading our publication, *Disability Benefits*, available at www.socialsecurity.gov/pubs.

While extreme winter weather may not affect all of us, the risk of being disabled and needing help isn't based on geography. Chances are you know someone who is disabled or perhaps you live with a disability. If you wish to help a friend or family member — or need to plan for disability yourself — visit www.socialsecurity.gov/disability.

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GATHER THE FAMILY AROUND *MY SOCIAL SECURITY*

By Bob Trotter

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Each holiday gathering is special. Families and friends get together to see how big the kids have gotten, catch up on family news from the summer and new school year, and remind each other to be grateful for what we have.

But what's the best way to know what you have to be thankful for when it comes to Social Security disability or retirement benefits?

This year, between holiday presents and egg nog, give your loved ones the gift of access, knowledge, and empowerment that they'll be thankful to have.

Before everyone gathers around the glow of a fire, gather around the glow of the computer screen and pull up www.socialsecurity.gov/myaccount to open a free *my Social Security* account. There, your friends and family who don't yet receive benefits can access their:

- Earnings information;

- *Social Security Statements*; and
- Estimates of future benefits if they are still working.

This information is invaluable to family members — both young and old — or family members who are planning to file for disability benefits. It can help them make informed financial decisions about the future.

If your loved one is already receiving retirement or disability benefits, *my Social Security* is useful for quick and easy updates and changes like:

- Changes of address;
- Direct deposit information;
- Replacing a Medicare card; and
- Receiving replacement SSA-1099 or SSA-1042S documents for tax season.

By showing your loved ones how to access this resource and encouraging them to open their own *my Social Security* accounts, you can keep the good feeling of gratitude going all year round. Join the more than 20 million families and friends already using *my Social Security* to stay informed of their benefits and prepare for the future. Gather the family around www.socialsecurity.gov/myaccount. It's the gift that keeps giving all year long.

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THE TWELVE SITES OF SOCIAL SECURITY

By Bob Trotter

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Familiar carols are a part of the season. This song is so popular that holiday revelers clamored for it again. It's "The Twelve Sites of Social Security," inspired by the popular traditional holiday song, "The Twelve Days of Christmas," — a holiday favorite since 1780.

For the first site of Social Security, we give to you: our home page, www.socialsecurity.gov. It's the place to go for all things Social Security. Everything you could want — from online services and benefit screening tools to publications and frequently asked questions — you can find easily on this site.

For the second site of Social Security, we give to you: answers to all of your Social Security related questions at our Frequently Asked Questions page at www.socialsecurity.gov/faq.

For the third site of Social Security, we give to you: an easy way to learn how to replace your Social Security card at www.socialsecurity.gov/ssnumber.

For the fourth site of Social Security, we give to you: an online application for retirement benefits that you can complete and submit in as little as 15 minutes at www.socialsecurity.gov/applytoretire.

For the fifth site of Social Security, we give to you: five estimates of your future Social Security benefits! Or as many estimates as you would like using different scenarios. Get instant, personalized estimates of your future benefits at www.socialsecurity.gov/estimator.

For the sixth site of Social Security, we give to you: a convenient way to apply for disability benefits at www.socialsecurity.gov/applyfordisability.

For the seventh site of Social Security, we give to you: an online application for Medicare that you can complete in as little as 10 minutes, at www.socialsecurity.gov/medicareonly.

For the eighth site of Social Security, we give to you: *Extra Help* with Medicare prescription drug plan costs. You can learn more and apply online at www.socialsecurity.gov/prescriptionhelp.

For the ninth site of Social Security, we give to you: our convenient publication library with online booklets and pamphlets on numerous subjects, at www.socialsecurity.gov/pubs.

For the tenth site of Social Security, we give to you: services for people who are currently receiving benefits, such as the ability to replace your Medicare card, get or change a password,

request a proof of income letter, or check your Social Security information or benefits. You can do these and other things at www.socialsecurity.gov/pgm/getservices-change.htm.

For the eleventh site of Social Security, we give to you: a way to get your Social Security forms online, at www.socialsecurity.gov/forms.

On the twelfth site of Social Security (and we saved the best for last): open your own personal *my Social Security* account, which will enable you to verify your earnings, get future benefit estimates, obtain benefit verification letters, update your Social Security information, and more at www.socialsecurity.gov/myaccount.

And a partridge in a pear tree. Find it all (except the partridge and pear tree) at www.socialsecurity.gov.

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QUESTIONS AND ANSWERS

GENERAL

Question:

I prefer reading by audio book. Does Social Security have audio publications?

Answer:

Yes, we have many helpful publications you can listen to. You can find them at www.socialsecurity.gov/pubs. Some of the publications available include *What You Can Do Online*, *How Social Security Can Help You When a Family Member Dies*, *Apply Online for Social Security Benefits*, and *Your Social Security Card and Number*. You can listen now at www.socialsecurity.gov/pubs.

Question:

I am receiving Social Security retirement benefits and I recently went back to work. Do I have to pay Social Security (FICA) taxes on my income?

Answer:

Yes. By law, your employer must withhold FICA taxes from your paycheck. Although you are retired, you do receive credit for those new earnings. Each year Social Security automatically credits the new earnings and, if your new earnings are higher than in any earlier year used to calculate your current benefit, your monthly benefit could increase. For more information, visit www.socialsecurity.gov.

RETIREMENT

Question:

How are my retirement benefits calculated?

Answer:

Your Social Security benefits are based on earnings averaged over your lifetime. Your actual earnings are first adjusted or "indexed" to account for changes in average wages since the year the earnings were received. Then we calculate your average monthly indexed earnings during the 35 years in which you earned the most. We apply a formula to these earnings and arrive at your basic benefit. This is the amount you would receive at your full retirement age. You may be able to estimate your benefit by using our *Retirement Estimator*, which offers estimates based on your Social Security earnings. You can find the *Retirement Estimator* at www.socialsecurity.gov/estimator.

Question:

I know that Social Security's full retirement age is gradually rising to 67. But does this mean the "early" retirement age will also be going up by two years, from age 62 to 64?

Answer:

No. While it is true that under current law the full retirement age is gradually rising from 65 to 67, the "early" retirement age remains at 62. Keep in mind, however, that taking early retirement reduces your benefit amount. For more information about Social Security benefits, visit the website at www.socialsecurity.gov.

DISABILITY

Question:

I've heard there is a way for my daughter to get her disability application on the "fast-track."
How does this work?

Answer:

If your daughter has one of the more than 200 impairments on the Compassionate Allowances list at www.socialsecurity.gov/compassionateallowances, her application might be "fast-tracked" for a decision. Compassionate Allowances make it possible for applicants to receive a decision on their disability applications within days instead of months or years as long as their medical conditions are so severe that they obviously meet Social Security's definition of disability. Learn more at www.socialsecurity.gov/compassionateallowances.

Question:

Do I automatically get Medicare benefits if I'm eligible for disability benefits?

Answer:

After you have received Social Security disability benefits for 24 months, we will automatically enroll you in Medicare. We start counting the 24 months from the month you were entitled to receive disability, not the month when you received your first benefit payment. Sometimes you can get state Medicaid in the meantime. There are exceptions to this rule. People with amyotrophic lateral sclerosis (Lou Gehrig's disease) and chronic renal disease may be able to

get Medicare earlier, for example. For more information, visit www.socialsecurity.gov.

Question:

I am expecting a child and will be out of work for six months. Can I qualify for short-term disability?

Answer:

No. Social Security pays only for total disability — conditions that render you unable to work and are expected to last for at least a year or end in death. No benefits are payable for partial disability or short-term disability, including benefits while on maternity leave. If you think your short-term disability might develop into a long-term one, visit www.socialsecurity.gov/disabilityssi/apply.html for more information.

SUPPLEMENTAL SECURITY INCOME

Question:

Next month I'll turn 65 and, because of my financial situation, I thought I'd be eligible for Supplemental Security Income (SSI). But my neighbor told me I'd probably be turned down because I have a friend who said he might help support me. Is this true?

Answer:

If your friend helps support you, it could have an effect on whether you get SSI and on the amount you receive. Whether you can get SSI depends on your income and resources (the

things you own). If you have low income and few resources, you may be able to get SSI. However, if you are receiving support from your friend or from anyone else, that income will be considered when making a decision on your SSI eligibility and amount. Support includes any food or shelter given to you or received by you because someone else pays for it. For more information, visit www.socialsecurity.gov.

Question:

My dad, who is receiving Supplemental Security Income (SSI), will be coming to live with me. Does he have to report the move to Social Security?

Answer:

Yes. An SSI beneficiary must report any change in living arrangements within 10 days after the month the change occurs. If the change is not reported, your dad could receive an incorrect payment. Also, your dad needs to report his new address to Social Security so that he can receive mail from us. Even if benefits are paid by direct deposit, we need to be able to get in touch with him. He can report the change by telephone, mail, or in person at any Social Security office. Keep in mind that failing to report a change to Social Security could result in incorrect payments that may have to be paid back or a penalty deducted from SSI benefits. Just call 1-800-772-1213 (TTY 1-800-325-0778). You can get more information in the booklet *Understanding SSI*, at www.socialsecurity.gov/ssi.

MEDICARE

Question:

If I retire and start getting Social Security retirement benefits at age 62, will my Medicare

coverage begin then too?

Answer:

No. Medicare benefits based on retirement do not begin until a person is age 65. If you retire at age 62, you may be able to continue to have medical insurance coverage through your employer or purchase it from an insurance company until you reach age 65 and become eligible for Medicare. For more information about who can get Medicare, visit www.medicare.gov.

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