

Social Security Column (01)

WE'RE WORKING TOGETHER TO SECURE TODAY AND TOMORROW

By Bob Trotter

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Your first job is a landmark occasion. You're meeting new people, making professional connections, and probably cashing that first paycheck. You might be a little surprised when you see a portion of your earnings go to a tax called "FICA" for the Federal Insurance Contributions Act. This deduction goes to Social Security and is your way of helping us secure your today and tomorrow. It's our job to keep the safety net of Social Security strong through your incremental contributions.

Understanding how important your contribution is takes some of the sting away because your taxes are helping millions of Americans. By law, employers must withhold Social Security taxes from workers' paychecks. While referred to as "Social Security taxes" on an employee's pay statement, sometimes the deduction is labeled as "FICA." This stands for Federal Insurance Contributions Act, a reference to the original Social Security Act. Sometimes, you will see "OASDI," which stands for Old Age, Survivors, and Disability Insurance, the official name for the Social Security Insurance program.

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

You probably have family members — grandparents, for example — who already enjoy benefits that your Social Security taxes help provide. Social Security is completely solvent through 2033. At that point, retirement benefits will be reduced to 75 percent, unless changes are made to the law. In the past, Social Security has evolved to meet the needs of a changing population — and you can count on Social security in the future.

Because you're a long way from retirement, you may have a tough time seeing the value of benefit payments that could be many decades in the future. But keep in mind the Social Security taxes you're paying can provide valuable disability or survivors benefits, if 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.

To learn more about Social Security and exactly what you're earning 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.

We're doing this job together. The small amount you contribute with every paycheck allows us to help millions of retired workers, disabled people, and veterans. You can learn more about how we're with you through life's journey at www.socialsecurity.gov.

YOU CAN STILL FILE AND SUSPEND, EVEN WITH THESE CHANGES

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You probably heard that changes in the law now affect the way you file for certain benefits. These changes place limits on when voluntary suspension and reinstatement can begin for you and your family members who might also be entitled to benefits on that record. This is not the demise of “file and suspend.” It’s still one of your best tools for boosting your Social Security benefit after you reach your full retirement age.

The Bipartisan Budget Act of 2015 made changes to the Social Security claims filed by married couples. The law affected an unintended loophole primarily used by married couples to gain more money.

If you’re full retirement age or older and apply for Social Security retirement benefits, you can suspend your benefits for any amount of time up to age 70. You may do this to earn “delayed retirement credits,” which result in a higher benefit payment when you turn 70 or when you request reinstatement of benefits, whichever comes first.

Under the new law, when you submit a request to suspend your benefits to earn delayed retirement credits on or after April 30, 2016, you will no longer be able to receive spouse’s or widow(er)’s benefits during this voluntary delay period. In addition, if you suspend your benefit, any benefits payable to your spouse and children on your record (except for a divorced spouse) will also be suspended for the same time period.

There is an exception. A request for voluntary suspension will not suspend a divorced spouse’s benefit. Also, your divorced spouse can receive benefits on your record during this voluntary delay period.

Remember, you can still plan and make the most of your retirement benefit by filing and suspending. These new rules don’t prevent you from doing what’s best for you and your family. We have a wealth of retirement information at www.socialsecurity.gov/planners/retire.

For more information and answer to your questions about these changes in the law, go to www.socialsecurity.gov/planners/retire/claiming.html.

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A FAITHFUL COMPANION WITH YOU THROUGH LIFE'S JOURNEY

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Enjoying the independence that we have as Americans is a privilege we've earned, together. It took the sacrifice of millions of entrepreneurs and Service men and women, nurses and caregivers. You've done your job in making this nation what it is today: proud, strong, and secure.

For more than 80 years, Social Security has been doing the same. We're with you through life's journey, from birth to retirement and beyond. And one of the best tools we provide every American is *my Social Security*, our secure online resource customized for you.

All your hard work is recorded at *my Social Security*. There, you can:

- Keep track of your earnings and verify them every year;
- Get an estimate of your future benefits, if you are still working;
- Get a letter with proof of your benefits, if you currently receive them; and
- Manage your benefits:
 - Change your address;
 - Start or change your direct deposit;
 - Request a replacement Medicare card; and
 - Get a replacement SSA-1099 or SSA-1042S for tax season.

It doesn't matter if you've worked one year or forty, checking your personalized account at www.socialsecurity.gov/myaccount gives you control over your future.

We understand that you might lose things from time to time. In some states, you can even request a replacement Social Security card online using *my Social Security*. It's an easy, convenient, and secure way to request a replacement card. We are working to add more states to this service, so we encourage you to check www.socialsecurity.gov/ssnumber to see where it is available.

In addition to using *my Social Security*, there are many other things you can do online with Social Security. For example, you can use the *Retirement Estimator* to plug in different numbers, retirement dates, and scenarios to help you decide the best time for you to retire. It's available at www.socialsecurity.gov/estimator.

We've been with you and your loved ones for a long time — more than 80 years. The journey you're making to financial independence isn't one you have to make alone. Join the millions of people who are strengthening their future at www.socialsecurity.gov/myaccount.

PREPARATION STARTS WITH INFORMATION

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Your parents were there for you when you were born. They've been with you through the most important achievements of your life. Now it's your turn to show them that they can count on you. As your parents get older, they may need help making decisions. When you volunteer to become a representative payee, you're supporting your parents and their future.

A representative payee is someone who receives Social Security or Supplemental Security Income (SSI) payments on behalf of a person not capable of managing the funds on his or her own. As a representative payee, you would make sure your parents' basic needs are met by using the money to provide them with food, clothing, and shelter. Any leftover money goes into an interest-bearing account or savings bond for your parents' future needs. You're responsible for keeping records of expenses, and we request yearly reports to see how you've used or saved the benefits.

Other representative payee duties include knowing your parents' needs so you can decide the best way to meet those needs with the benefits provided and telling us about any changes that may affect your parent's eligibility for benefits or the payment amount.

If your parents receive Social Security or SSI benefits and are unable to manage their finances, or you think that may be the case in the future, take the time to become familiar with the responsibilities of a representative payee and consider becoming one.

To learn more about becoming a representative payee, you can read our publication, *A Guide for Representative Payees*, at www.socialsecurity.gov/pubs and visit the webpage, "When People Need Help Managing Their Money," at www.socialsecurity.gov/payee. Or, call us at 1-800-772-1213 (TTY 1-800-325-0778) to request an appointment.

Take the steps to ensure your parents have a safe and comfortable future. After all they've done for you over your lifetime, volunteering as a representative payee is just one way to show how much you care for and appreciate them. Social Security will always be there for you and your parents through life's journey.

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SOCIAL SECURITY'S PROGRAMS ARE AS DIVERSE AS THOSE WE SERVE

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From women and children, to the elderly and disabled, Social Security has you covered. Because we value and appreciate the differences that make up our nation, our programs are as diverse as those we serve. We're with you throughout every stage of your life, and we're always working to provide services that meet your changing needs.

Our programs serve as vital financial protection for millions of people. When you work and pay Social Security taxes, you earn credits. These credits count toward retirement, disability, and survivors benefits.

A program everyone should be familiar with is Social Security's retirement program. Whether you're a young adult paying Social Security taxes for the first time or a retiree receiving benefits, this is a program that will affect you during and after your working years. You can learn more about your earnings and potential benefits by visiting www.ssa.gov/retire/.

Social Security administers the largest disability program in the nation. A severe illness or injury robs a person of the ability to work and earn a living. Thankfully, Social Security disability benefits can provide a critical source of financial support during a time of need. For more on disability benefits, visit www.socialsecurity.gov/disability.

When a family loses a wage earner, it can be both emotionally and financially devastating. However, Social Security can help secure a family's financial future if a loved one dies with survivor benefits. The best thing you can do for your family is prepare as much as possible: get started at www.socialsecurity.gov/survivors.

Social Security's programs are neutral regarding gender, age, race, and orientation — individuals with identical earnings histories and needs are treated the same in terms of benefits. We're proud the diverse public we serve reflects the programs we offer. Visit www.socialsecurity.gov today to see how we can serve you and secure your today and tomorrow.

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QUESTIONS AND ANSWERS

GENERAL

Question:

Can I complete business with Social Security online?

Answer:

There are many things you can do on Social Security's website. You can conduct most of your Social Security business with us online at www.socialsecurity.gov/onlineservices. You can get an estimate of future benefits, find out if you qualify for benefits now, and even apply for benefits. You can complete a number of other tasks online, too. You can estimate your retirement benefit using our *Retirement Estimator*, which allows you to get an instant, personalized estimate of your future benefit based on different retirement ages and scenarios. You can even open your own *my Social Security* account to plan for and manage your benefits. In some areas, you can even request a replacement Social Security card using your my Social Security account. Open or access your *my Social Security* account today at www.socialsecurity.gov/myaccount.

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 or call us at 1-800-772-1213 (TTY 1-800-325-0778).

RETIREMENT

Question:

I want to estimate my retirement benefit at several different ages. Is there a way to do that?

Answer:

Use our *Retirement Estimator* at www.socialsecurity.gov/estimator to get an instant, personalized retirement benefit estimate based on current law and your earnings record. The *Retirement Estimator*, which also is available in Spanish, lets you create additional "what if" retirement scenarios based on different income levels and "stop work" ages.

Question:

I plan to retire soon. When are Social Security benefits paid?

Answer:

Social Security benefits are paid each month. Generally, new retirees receive their benefits on either the second, third, or fourth Wednesday of each month, depending on the day in the month the retiree was born. If you receive benefits as a spouse, your benefit payment date will be determined by your spouse's birth date. Here's a chart showing how your monthly payment date is determined:

Day of the Month You Were Born	Social Security Benefits Paid On
1st-10th	Second Wednesday
11th-20th	Third Wednesday
21st-31st	Fourth Wednesday

For a calendar showing actual payment dates, see the *Schedule of Social Security Benefit Payments* at www.socialsecurity.gov/pubs.

DISABILITY

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.

Question:

I get Social Security because of a disability. How often will my case be reviewed to determine if I'm still eligible?

Answer:

How often we review your medical condition depends on how severe it is and the likelihood it will improve. Your award notice tells you when you can expect your first review using the following terminology:

* Medical improvement expected—If your condition is expected to improve within a specific time, your first review will be six to 18 months after you started getting disability benefits.

* Medical improvement possible—If improvement in your medical condition is possible, your case will be reviewed about every three years.

* Medical improvement not expected—If your medical condition is unlikely to improve, your case will be reviewed about once every five to seven years.

For more information, visit www.socialsecurity.gov.

SUPPLEMENTAL SECURITY INCOME

Question:

I know you need to have limited resources to receive Supplemental Security Income (SSI). But what does Social Security consider a resource?

Answer:

Resources are things you own that you can use for support. They include cash, real estate, personal belongings, bank accounts, stocks, and bonds. To be eligible for SSI, a person must have no more than \$2,000 in countable resources. A married couple must have no more than \$3,000 in countable resources. If you own resources over the SSI limit, you may be able to get SSI benefits while trying to sell the resources. Not all of your resources count toward the SSI resource limit. For example:

- The home you live in and the land it's on do not count.
- Your personal effects and household goods do not count.
- Life insurance policies may not count, depending on their value.
- Your car usually does not count.
- Burial plots for you and members of your immediate family do not count.
- Up to \$1,500 in burial funds for you and up to \$1,500 in burial funds for your spouse may not count.
- If you are blind or have a disability, some items may not count if you plan to use them to work or earn extra income.

You may also wish to read our material on “resources” in the booklet, *Understanding SSI* at www.socialsecurity.gov/ssi/text-understanding-ssi.htm.

Question:

My 15-year-old sister has been blind since birth. I think she should apply for Supplemental Security Income (SSI), but my parents think because she’s a minor, they’re responsible for her and she won’t qualify. Who is right?

Answer:

To qualify for SSI, an individual must meet certain income and resource limits. Since your sister is a minor, some of your parents’ income and resources will determine whether your sister is eligible for SSI. Once your sister turns 18, their income and resources won’t be considered when deciding her eligibility and payment amount. Tell your parents they can check at any Social Security office to see if your sister qualifies. To learn more, visit our website at www.socialsecurity.gov or call us at 1-800-772-1213 (TTY 1-800-325-0778).

MEDICARE

Question:

I’m 65, not ready to retire, but I want to apply for my Medicare coverage. How can I do that?

Answer:

The easiest and most convenient way is to apply online! Use our online application to sign up for Medicare. It takes less than 10 minutes. In most cases, once your application is submitted electronically, you’re done. There are no forms to sign and usually no documentation is required. Social Security will process your application and contact you if we need more information. Otherwise, you’ll receive your Medicare card in the mail. It’s convenient, quick, and easy. There’s no need to drive to a local Social Security office or wait for an appointment with a Social Security representative. Get started today at www.socialsecurity.gov/medicareonly.

Question:

I pay my monthly premium directly to my Medicare prescription drug plan provider. Why can’t I also pay my income-related monthly adjustment amount directly to my Medicare prescription drug plan provider?

Answer:

By law, we must deduct your income-related monthly adjustment amount from your Social Security payments. If the amount you owe is more than your payment, or you don’t get monthly payments, you will get a separate bill from another federal agency, such as the *Centers for Medicare & Medicaid Services* or the *Railroad Retirement Board*. Read our publication, *Medicare Premiums: Rules for Higher-Income Beneficiaries*, for an idea of what you can expect to pay. You’ll find it at www.socialsecurity.gov/pubs.

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