



According to the Social Security Administration, more than 9 out of 10 individuals age 65 and older receive Social security benefits. The purpose of this document is to provide key items to consider before you apply for benefits.

OBTAINING STATEMENTS



Obtaining Social Security Benefits Statements

- Social Security benefit statements can be obtained by calling 1-800-772-1213 or by visiting your local Social Security office (be sure to make an appointment). You can also obtain your Social Security Statement information online at www.ssa.gov. Click on "my Social Security" and follow the instructions.

RETIREMENT AGE



Full Retirement Age (FRA) for Social Security benefits is based on your year of birth.

YEAR BORN	FULL RETIREMENT AGE
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

CLAIMING STRATEGY



Choosing the Right Claiming Strategy

- Choosing the best way and time to take Social Security benefits can at times be complicated. Many factors may influence your decision such as longevity, income needs, other income sources, personal assets, and more.
- You can begin receiving Social Security benefits as early as age 62; however, your retirement benefit is reduced. As an example, if your full retirement age is 67, you receive about 30% less in benefits at age 62 and the reduction is permanent.
- For each month that you delay receiving Social Security retirement benefits past your full retirement age, your benefit will increase by a certain percentage. For example, if you were born in 1943 or later, your benefit could increase by around 8% for each year that you delayed receiving benefits, up to a maximum of 32% at age 70. The delayed increase amount could vary in future years.
- If you are divorced, when you become eligible for Social Security benefits at age 62, you may be eligible to collect spousal benefits. If the divorce has been final for at least 2 years and you were married for at least 10 years, you may be eligible for benefits on your ex-spouse's earnings record.
- Optimization software can be a useful resource in determining the right claiming decision. If you and your spouse (or ex-spouse) are eligible for benefits, there are a number of claiming strategies you can explore to get the most out of your Social Security benefits. Your JNBA Advisory Team can provide an analysis and discuss your options with you.

EARNINGS TEST



Social Security Earnings Test

- If you are under Social Security full retirement age and are still working in some capacity, you are limited to what you can earn while receiving benefits. In 2019, you can earn \$17,640 per year or \$1,470/month. One dollar in benefits will be withheld for every two dollars in earnings above the limit.
- The year an individual reaches full retirement age, they can earn more. In 2019, the amount is \$46,920/year or \$3,910/month. One dollar in benefits will be withheld for every three dollars in earnings above the limit but only until the month you reach full retirement age.
- After you reach full retirement age, you can receive all benefits with no limit on your earnings.

TAXABLE BENEFITS



Benefits May Be Taxable

- If you file a single return, and your combined income* is between \$25,000 and \$34,000 in 2019, you may have to pay taxes on up to 50% of your Social Security benefits. If your combined income* is more than \$34,000, up to 85% of your Social Security benefits could be subject to income tax.
- If you file a joint return, and your combined income* is between \$32,000 and \$44,000 in 2019, you may have to pay taxes on up to 50% of your Social Security benefits. If your combined income* is over \$44,000, up to 85% of your Social Security benefits could be subject to income tax.
- Please consult your tax advisor to verify the potential impact for your specific situation.

**Sum of your adjusted gross income plus non-taxable interest plus one-half of your Social Security benefits.*

SIGNING UP



Signing Up for Social Security

- Apply for benefits at your local Social Security office or online two to three months before the date you want your benefits to start. You can fill out an application online on the Social Security website or call the Social Security Administration directly at 1-800-772-1213.

References

Social Security Administration

<https://www.ssa.gov>