

The Basics of Social Security Benefits

Presented by
Graber & Associates



Social Security Benefits

What are Social Security Benefits?

- Four main types:
 - Retirement benefits
 - Social Security Disability Insurance (SSDI)
 - Supplemental Security Income (SSI)
 - Benefits for spouses and other survivors of a family member who has died

Social Security Benefits

What are Social Security Benefits?

- Provides eligible individuals, including retirees, a monthly retirement benefit
- Replaces a percentage of your pre-retirement income based on your lifetime earnings
 - Based off the highest 35 years of earnings
- The funding for these benefits primarily comes from payroll taxes on employees' wages

Social Security Benefits

How do I qualify?

- You must be age 62 or older
- You and/or your spouse worked and paid Social Security taxes for 40 or more quarters (10 years)

If you work for someone else	Social Security tax	Medicare tax
You pay	6.2%	1.45%
Your employer pays	6.2%	1.45%
If you're self-employed		
You pay	12.4%	2.9%

Social Security Benefits

How do I sign up?

- In person at local Social Security office
- Online through My Social Security Account
- Call Social Security

Social Security Benefits

How are benefits paid?

- You must receive your Social Security payments electronically
 - Direct deposit to your account
 - Prepaid debit card

Social Security Benefits

When are benefits paid?

- Benefits are paid monthly based on the birth date of the person for whose earnings record you receive benefits

Date of birth	Benefits paid each month on
1 st - 10 th	Second Wednesday
11 th - 20 th	Third Wednesday
21 st - 31 st	Fourth Wednesday

Social Security Benefits

When should I start collecting?

- Full retirement age:

Year of birth	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 or later	67

Social Security Benefits

Can I draw benefits earlier than my full retirement age?

- You can begin at age 62
 - Benefits reduced by about 0.5% for each month receiving benefits before full retirement age
- If collecting early retirement benefits, you will automatically be enrolled into Medicare upon reaching age 65 and your Part B premiums will be deducted from your benefits check
 - [Early Retirement Benefits Calculator](#)
 - [Effect of Early or Delayed Retirement on Retirement Benefits](#)

Social Security Benefits

Can I draw benefits earlier than my full retirement age?

- Part B IRMAA will automatically come out of Social Security benefits check

If your yearly income in 2023 was:			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2025):
\$106,000 or less	\$212,000 or less	\$106,000 or less	\$185.00
above \$106,000 up to \$133,000	above \$212,000 up to \$266,000	not applicable	\$259.00
above \$133,000 up to \$167,000	above \$266,000 up to \$334,000	not applicable	\$370.00
above \$167,000 up to \$200,000	above \$334,000 up to \$400,000	not applicable	\$480.90
above \$200,000 and less than \$500,000	above \$400,000 and less than \$750,000	above \$106,000 and less than \$394,000	\$591.90
\$500,000 or above	\$750,000 or above	\$394,000 or above	\$628.90

Social Security Benefits

Should I delay my benefits?

- Benefits increase by a certain percentage for each month you delay collecting
 - Can receive delayed retirement credits until age 70
 - Effect of Early or Delayed Retirement on Retirement Benefits

Year of Birth*	12-Month Rate of Increase	Monthly Rate of Increase
1933-1934	5.5%	11/24 of 1%
1935-1936	6.0%	1/2 of 1%
1937-1938	6.5%	13/24 of 1%
1939-1940	7.0%	7/12 of 1%
1941-1942	7.5%	5/8 of 1%
1943 or later	8.0%	2/3 of 1%

Social Security Benefits

Can I keep working and get benefits?

- Working and receiving benefits **before** full retirement age
 - SSA will deduct \$1 in benefits for every \$2 in earnings above annual limit
 - Annual limit in 2025 - \$23,400
- Working and receiving benefits **in the year** you reach full retirement age
 - SSA will deduct \$1 in benefits for every \$3 in earnings above annual limit, but only for the months before reaching full retirement age
 - Annual limit in 2025 - \$62,160
- Working and receiving benefits **after** full retirement age
 - No limit or reduction of benefits

Social Security Benefits

Are my benefits taxable?

- Can be taxed on up to 85% of your benefits if you exceed annual limits
 - Individual filing single can earn up to \$25,000
 - Married filing joint can earn up to \$32,000

Calculating your Social Security federal income tax

Married filing jointly

Your combined annual income	How much of your Social Security benefit is taxable
\$32,000 or less	None
Between \$32,000 and \$44,000	Up to 50%
More than \$44,000	Up to 85%

Individual

Your combined annual income	How much of your Social Security benefit is taxable
\$25,000 or less	None
Between \$25,000 and \$34,000	Up to 50%
More than \$34,000	Up to 85%

Social Security Benefits

Can I collect off my spouse's earning record?

- If you're the lower income earner, you could be entitled to either your benefits or up to 50% of your spouse's; if
 - Your spouse is already collecting retirement benefits
 - You've been married for at least a year
 - You're at least 62 years old
 - Must be full retirement age to receive 50% of their retirement benefits
 - If you collect spouse's benefits before reaching full retirement age, payment is permanently reduced
- If the lower income earner collects retirement benefits from their earnings record, they can still draw off the higher income spouse's earning record as long as requirements above are met
- [Spousal Benefits Calculator](#)

Social Security Benefits

Are my benefits taxable?

If Janis is eligible for a \$1000 monthly retirement benefit and a \$1250 spousal benefit, and she waits until her full retirement age to claim, she'll receive her \$1000 retirement benefit first. Then, Social Security will add \$250 from the spousal benefit, bringing the total to \$1250 a month. The extra spousal amount is only added because her own benefit is less than half of her spouse's full retirement age benefit.

Michael qualifies for a \$1250 retirement benefit and a \$1400 spousal benefit, he'll receive his own full \$1250 at full retirement age. Social Security will then add \$150 from the spousal benefit, bringing the total to \$1400. However, if Michael chooses to begin receiving both benefits before reaching full retirement age, Social Security will reduce both amounts.

[Early Retirement Calculator](#)
[Benefits for Spouses](#)

Social Security Benefits

Will Social Security run out?

- Solvency of Social Security
 - Social Security will continue operating
 - Benefits will be reduced without intervention
 - Can pay approximately 74% of scheduled benefits

Helpful Resources

How do I enroll into Medicare?

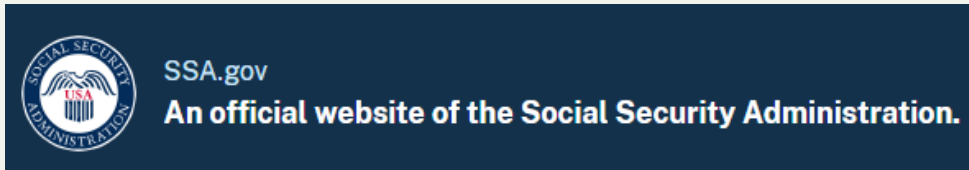
- Collecting Social Security Retirement benefits prior to age 65
 - Automatically enrolled into Parts A & B and premiums are taken from benefit check
 - Can delay/opt out of Part B due to employer sponsored coverage through self or spouse
- Not collecting Social Security Retirement benefits
 - Will need to initiate enrollment into Medicare
 - Apply online through Social Security website
 - Visit local Social Security office
 - Call Social Security

Helpful Resources

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 - Mail or fax [CMS-18-F-5 form](#) to local Social Security office.

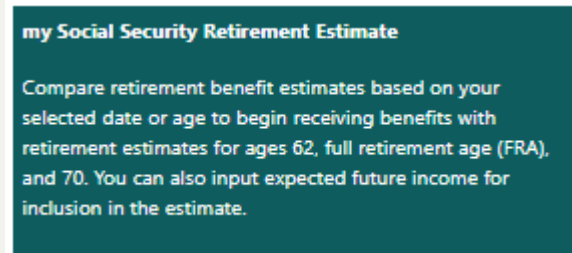
Helpful Resources



www.ssa.gov



www.medicare.gov



<https://www.ssa.gov/benefits/calculators/>

Helpful Resources

Understanding the Benefits

<https://www.ssa.gov/pubs/EN-05-10024.pdf>

SSA Office Locator Social Security Office Locator

<https://secure.ssa.gov/ICON/main.jsp>

Benefit Calculators | SSA

<https://www.ssa.gov/benefits/calculators/>

Manage Social Security Benefits

<https://www.ssa.gov/manage-benefits>

Spouse's Benefits Calculator

<https://www.ssa.gov/oact/quickcalc/spouse.html>

Early or Late Retirement Calculator

https://www.ssa.gov/oact/quickcalc/early_late.html

Effect of Early or Delayed Retirement on Retirement Benefits

https://www.ssa.gov/oact/ProgData/ar_drc.html

Medicare Enrollment Form – CMS-18-F-5


<https://www.cms.gov/files/document/cms-18-f-5-application-part-hospital-insurance.pdf>

Contact *Our Team*

605-331-2100

800-669-3939

graberassoc.com

Ashley Sanders, NSSA 

Currently we represent 11 organizations which offer 57 products in your area. You can always contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program for help with plan choices.



Thank you.