Table of Contents

TAB 1: Introduction to Social Security 1

Introduction 1

Age breakdown of new Social Security beneficiaries in 2019 1

Tests 1-3 2

10 Reasons NOT to Take Social Security Early 3

Monthly Benefit Based on the Age You Decide to Start Receiving Benefits 4

Break Even Points for FRA 5

Myths 1-4 6

Tax Paid vs. Benefit Received 6

How the age at which you claim Social Security affects your benefit levels 7

What’s New for 2025? 8

Social Security Fairness Act-signed into law January 5, 2025 8

Windfall Elimination Provision 9

Government Pension Offset 9

Terminology 11

A short history 12

Simple suggestions to make Social Security solvent 13

Where to Go for More Information 14

Social Security 14

Common Abbreviations 15

How Social Security is Funded 15

Contribution and benefit bases, 1937-2016 16

The Main Categories of Social Security and Medicare Benefits 17

Supplemental Security Income 19

Medicare as a Share of the Federal Budget, 2018 19

Medicare benefits 19

Medicare hospital insurance (Part A) 19

Medicare medical insurance (Part B) 19

Medicare Advantage Plans (Part C) 19

Medicare Prescription Drug Benefit (Part D) 19

Rules for those BOTH working and drawing Social Security benefits 19

When are checks sent? 19

Miscellaneous Issues 20

Reportable Events 21

Taxability of Benefits 21

Summary of Social Security Benefits 23

How do you sign up for Social Security? 23

Checklist for Online Medicare, Retirement, and Spouses Applications 24

TAB 2: Calculating the Benefit 25

PIA for Eligibility or Death in 1979 or Later 25

SSA calculator 25

Computation Years 26

Elapsed Years 27

Base Years 28

Determining the Primary Insurance Amount (PIA) (AKA “Bend Points”) 29

Total Earnings 30

The Short-Form Steps to Calculate Your Benefit 31

Special Minimum PIA 34

Special Minimum PIA Table Effective for December 2008 (Payable 2009) 34

Number of Years of Covered Work for Special Minimum PIA (Only) 35

Cost of Living Adjustments 36

Delayed Retirement Credits 37

Chart of Delayed Retirement Credit Rates 37

Automatic Recomputation 38

Reduction of Benefits 39

Full Retirement Age: Workers and Spouses Charts 40

Basic Reduction Formulas for Early Retirement 41

Child in Care Exceeds Age Sixteen 42

Maximum Family Benefits 43

Earnings Reports 44

TAB 3: Qualifying for Benefits 47

Earnings Needed for a Quarter of Coverage 47

Fully Insured Status 49

Currently Insured Status 49

Disability Insured Status 49

Special Insured Status for Persons Disabled Before Age Thirty-One 49

Lump Sum Death Payment 49

Foreign Earnings 50

Monthly Social Security benefits can be paid to: 53

Income Qualifying for Social Security 54

Amounts Earned As an Employee 54

Agricultural Labor 55

Other Non-qualifying Wages 56

Self-Employment Income 56

Income that does not qualify for Social Security Credits 57

Additional Examples of Unusual Income and Their Interaction with SE Tax 57

The Optional Self Employment Tax Method for Small Business Owners 61

TAB 4: Retirement Benefits 63

Chart: Primary and Spousal Benefits at age 62 63

When Are Retirement Benefits NOT Payable (or Only Partially Payable)? 64

Delayed Retirement 65

How much will your retirement benefit be? 66

Retirement Benefit Estimates 66

Monthly Benefit Amounts Differ Based on Age You Start Receiving Benefits 67

Widow/Widower Benefits 67

Spousal Benefits 68

Deemed Filing Rule 71

Restricted Application Rule 73

Who Is a Spouse-see earlier definition? 73

Discontinuance of Spousal benefits 74

Child in Care 75

Maximum Family Benefits 75

Summary Benefits for a Divorced Spouse 76

Child Benefits 77

Comprehensive Example 80

Child of Unmarried Parents Soc Sec. Reg. 404.355 82

If you work and get benefits at the same time 83

Retirement Earnings Test Exempt Amounts 83

Here Is How It Works 83

Special Monthly Rule 84

Do-Over Options 84

TAB 5: Divorce 85

Widow(er) Benefits 86

New Spouse’s Record 86

Timing 86

Spousal Benefit Chart 91

Taxspeaker’s Ex-Spouse Social Security Benefit 92

TAB 6: Widow/Widower Benefits 93

Surviving Spouse Benefit Chart 94

Does the earnings test apply to Social Security survivor & child-in-care benefits? 95

How Much Are Benefits? 97

Requirements for a Widow/Widower or ex-spouse to Draw Survivor’s Benefit 98

Rules 1-3 98

Maximum Family Benefits 100

One-Time Death Payment 100

TAB 7: Disability 103

There Are Eight Types of Disability Protection in the Law 105

Conditions for Disabled Workers to receive monthly benefits 107

The rules for how much work you need to qualify for disability benefits 107

Waiting Period 108

Substantial Gainful Employment 108

Amount of Benefit 109

Benefit Ending 109

Definition of Disability 110

Widow/Widower Disability Benefit 112

Child Disability 113

Working While Disabled 114

SSA Notification Requirements 115

Initial Disability Decision-Making Process 116

Applying for Benefits 117

Appeals 118

Benefit Termination 118

SSA’s Listing of Impairments 120

TAB 8: Social Security Consulting 121

Adding a Social Security Consulting Division to Your Firm 121

Marketing Guidelines-Existing Clients 122

Marketing Guidelines-General Public 123

Savvy Social Security Planning: What Baby Boomers Need to Know 124

Overall Timeline 125

Existing Client Invitation 126

Conducting the 1st Appointment 127

Sample Planning Report 128

Social Security Consultation Engagement Letter 129

TAB 9: Medicare 131

Four parts to Medicare 132

Example 132

2025 costs at a glance 133

Medicare and Coronavirus 135

Initial Enrollment: When Part B Begins 135

Review of Medicare Enrollment Periods 136

Initial enrollment period 136

Special enrollment period 136

Open or annual election period 139

Joining, switching or dropping a plan Summary 140

Initial Enrollment Period 140

Open Enrollment Period 140

Medicare Advantage Open Enrollment Period 140

What if You Do Not Want Part B? 140

How does my other insurance work with Medicare? 141

Preventive Services Provided by Medicare 142

Medicare Has Four Parts 143

Hospital Insurance (Part A) 144

Foreign Hospitals 145

Medicare Improvements from the 2010 Health Care Bill/ 2022 IRA 145

Part A- Covered Services 146

Medical insurance (Part B) 150

Total Medicare Part B premiums-high income beneficiaries 151

2010 Health Care Bill Changes to Medicare Premiums 152

The Medicare Part B Penalty for late enrollment 152

Special Planning Tool for Part B 152

Part B- Covered Services 153

Medicare Advantage plans (Part C) 170

Things to consider when choosing your Medicare coverage 172

Medicare Prescription Drug Plans (Part D) 173

Phase 1: Initial coverage 174

Medicare Prescription Drug Plan (Part D) 174

Medicare Advantage Plan (Part C) 174

Income-Related Monthly Adjustment Amount Chart 175

Other Government Insurance 176

Medigap (or Medicare Supplement Policies) 177

Nine things to know about Medigap policies 177

Medigap Plans Chart 178

Medicaid 178

Appealing a higher Part B or Part D premium 180

Requesting a new initial determination 180