



Maximize Social Security *Minimize Taxes*

This is NOT tax advise and it is NOT investment advise. Please note that the contents of this presentation should not be construed as investment advise

Disclaimer

The views we express today are our own and do not necessarily represent the views of From the Heart Church Ministries® or any other members of the staff.



Prevent identity theft—protect your Social Security number

Your Social Security Statement

www.socialsecurity.gov

Prepared especially for Wanda Worker

May 1, 2012

See inside for your personal information →

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

What's inside...

Your Estimated Benefits.....	2
Your Earnings Record.....	3
Some Facts About Social Security.....	4
If You Need More Information.....	4

What Social Security Means To You

This *Social Security Statement* can help you plan for your financial future. It provides estimates of your Social Security benefits under current law and updates your latest reported earnings.

Please read this *Statement* carefully. If you see a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. We recommend you keep a copy of your *Statement* with your financial records.

Social Security is for people of all ages...

We're more than a retirement program. Social Security also can provide benefits if you become disabled and help support your family after you die.

Work to build a secure future...

Social Security is the largest source of income for most elderly Americans today, but Social Security was never intended to be your only source of income when you retire. You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire.

Saving and investing wisely are important not only for you and your family, but for the entire country. If you want to learn more about how and why to save, you should visit www.mymoney.gov, a federal government website dedicated to teaching all Americans the basics of financial management.

About Social Security's future...

Social Security is a compact between generations. Since 1935, America has kept the promise of

security for its workers and their families. Now, however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound when today's younger workers are ready for retirement.

Without changes, in 2033 the Social Security Trust Fund will be able to pay only about 75 cents for each dollar of scheduled benefits.* We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.

Social Security on the Net...

Visit www.socialsecurity.gov on the Internet to learn more about Social Security. You can read publications, including *When To Start Receiving Retirement Benefits*; use our Retirement Estimator to obtain immediate and personalized estimates of future benefits; and when you're ready to apply for benefits, use our improved online application—It's so easy!

Michael J. Astrue
Commissioner

* These estimates are based on the intermediate assumptions from the Social Security Trustees' Annual Report to the Congress.

Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until... your full retirement age (67 years), your payment would be about.....\$ 1,619 a month age 70, your payment would be about\$ 2,023 a month age 62, your payment would be about\$ 1,113 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....\$ 1,441 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits: Your child.....\$ 1,131 a month Your spouse who is caring for your child.....\$ 1,131 a month Your spouse, if benefits start at full retirement age.....\$ 1,508 a month Total family benefits cannot be more than\$ 2,778 a month Your spouse or minor child may be eligible for a special one-time death benefit of \$255.
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2033, the payroll taxes collected will be enough to pay only about 77 percent of scheduled benefits.

We based your benefit estimates on these facts:

Your date of birth (please verify your name on page 1 and this date of birth).....	April 5, 1973
Your estimated taxable earnings per year after 2013	\$44,833
Your Social Security number (only the last four digits are shown to help prevent identity theft).....	XXX-XX-1234

How Your Benefits Are Estimated

To qualify for benefits, you earn “credits” through your work — up to four each year. This year, for example, you earn one credit for each \$1,160 of wages or self-employment income. When you’ve earned \$4,640, you’ve earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven’t earned enough yet to qualify for any type of benefit, we can’t give you a benefit estimate now. If you continue to work, we’ll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2013 and later (up to retirement age), we assumed you’ll continue to work and make about the same as you did in 2011 or 2012. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at www.socialsecurity.gov/estimator to obtain immediate and personalized benefit estimates.

We can’t provide your actual benefit amount until you apply for benefits. And that amount may differ from the estimates stated above because:

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

(3) Your estimated benefits are based on current law. The law governing benefit amounts may change.

(4) 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. Visit www.socialsecurity.gov to learn more.

Windfall Elimination Provision (WEP) — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at www.socialsecurity.gov/WEP.

Government Pension Offset (GPO) — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse’s record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at www.socialsecurity.gov/GPO.

Until when will Social Security be around unless something changes?

A: 2035



Other Questions *You Likely Have*

- ✓ Will Social Security be There for me?
- ✓ How much can I expect to receive?
- ✓ When should I apply for Social Security?
- ✓ How can I maximize my benefits?
- ✓ Will Social Security be enough to live on in retirement?

- ❖ Social Security began in 1935
- ❖ Life expectancy was 60 for men and 65 for women
- ❖ Today life expectancy is 73 for men and 79 for women (CDC)
- ❖ In 1940, there were 42 workers for every one retiree, now the ratio is 3 to 1

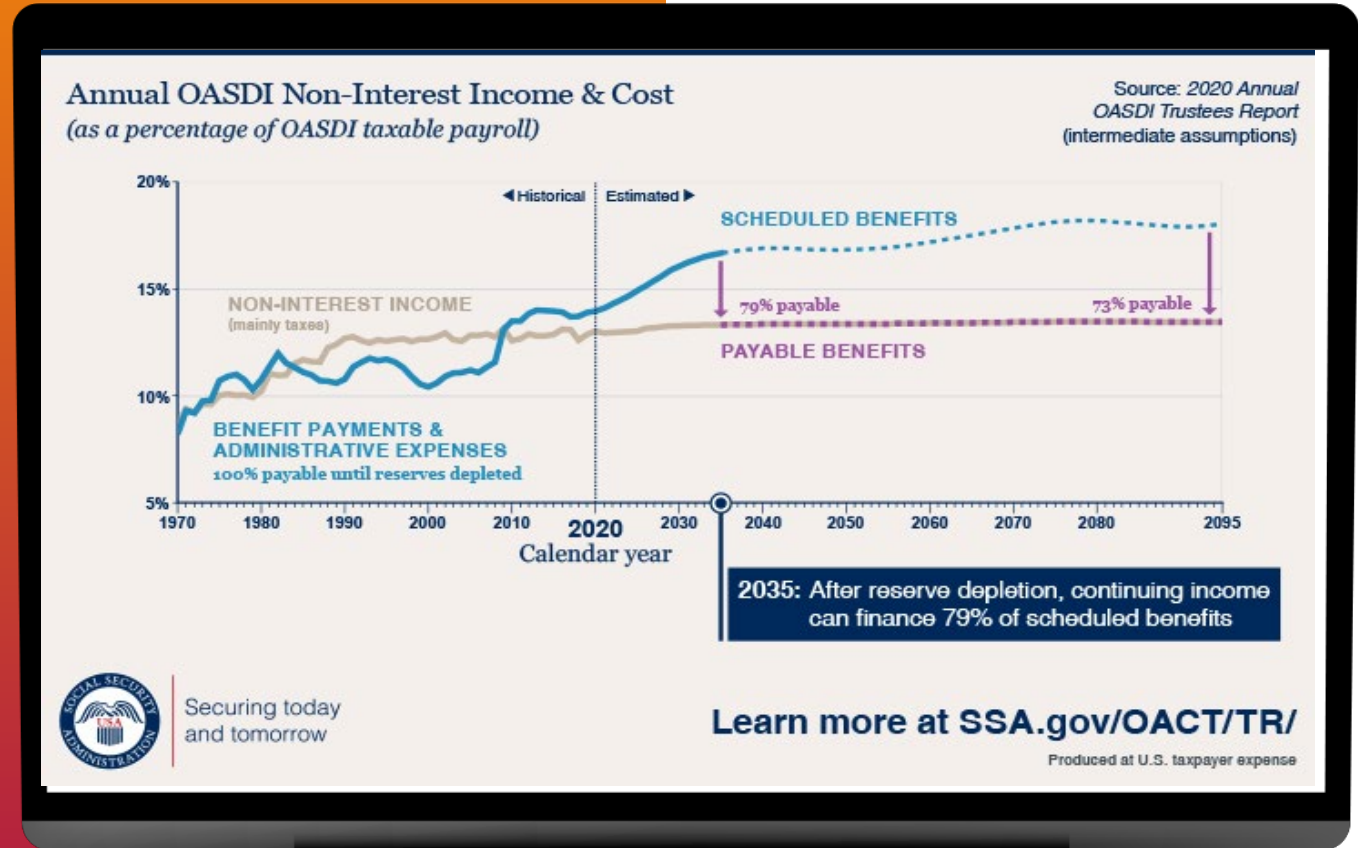
- ❖ Social Security is a tax
- ❖ The trust fund is expected to run out of money, not the entire system
- ❖ This is actually the third time that the trust fund has been in danger of running out of money

- ❖ Social Security was originally a lump sum payment
- ❖ In 1942, it became a monthly payment and that's how the reserve fund began
- ❖ In 1983, it became taxable and the full retirement age began to increase
- ❖ Those on or near SS saw no changes

LONG TERM PROJECTIONS

OASDI Income, Cost, and Expenditures as Percentages of Taxable Payroll [under intermediate assumptions]

Source: 2020 OASDI Trustee Report
Calendar year





WHAT WOULD IT TAKE TO RESTORE SOLVENCY?

- ✓ Reform proposals being studied:
- ✓ Increase maximum earnings subject to Social Security tax (currently \$160,200 in 2023)
- ✓ Raise the full retirement age
- ✓ Lower benefits for future retirees
- ✓ Reduce cost -of -living adjustments (COLAs)



When is generally the earliest someone can collect Social Security?

A: 62

FULL RETIREMENT AGE (FRA)

Year of Birth

- 1943-1954
- 1955
- 1956
- 1957
- 1958
- 1959
- 1960 and later

Full Retirement Age

- 66
- 66 and 2 months
- 66 and 4 months
- 66 and 6 months
- 66 and 8 months
- 66 and 10 months
- 67

WHAT IF YOU APPLY FOR EARLY BENEFITS?

You will receive a percentage of your
PIA (Primary Insurance Amount)

Apply at age	If FRA = 66	If FRA = 67
62	75.0%	70%
63	80.0%	75%
64	86.7%	80%
65	93.3%	86.7%
66	100%	93.3%
67		100%


Retirees who begin collecting Social Security at 62 instead of at the full retirement age can expect their monthly benefits to be _____% lower.



A: 30%

For every year you delay claiming Social Security past your Full Retirement Age (FRA), up to age 70, you get an ____% increase in your benefit.

A: 8%



At what age does delaying
Social Security no longer
grow your retirement
benefit?

A: 70

WHAT IF YOU APPLY AFTER FRA?

You will earn 8% annual delayed credits

Apply at age	Benefit will be % of PIA if FRA = 66	Benefit will be % of PIA if FRA = 67
66	100%	93.3%
67	108%	100%
68	116%	108%
69	124%	116%
70	132%	124%

As a widow or widower, how long must you be married before you can collect Social Security survivor benefits?

A: 9 months

How old does a person
need to be to collect
survivor's benefits?

A: Generally, at age 60

How long must you be married to collect Social Security from your ex-spouse's work history?

A: 10 years



Thank You

Maximize Social Security
Minimize Taxes

PREPARE YOUR STONES FOR BRO. COURTS