



SOCIAL SECURITY:101

FAYE SYKES, CEO- SOCIAL SECURITY BENEFIT PLANNERS

WWW.SOCIALSECURITYBP.COM

FLAT FEE SOCIAL SECURITY PLANNING



WHAT IS SOCIAL SECURITY?

- LIFE INSURANCE FOR CHILDREN AND WIDOWS
- DISABILITY INCOME INSURANCE
- RETIREMENT INCOME INSURANCE

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#1 PAYS TO WAIT.. BIG TIME

- **WAITING TO TAKE BENEFITS UNTIL YOUR FRA OR LATER CAN MEAN UPWARDS OF A **132%** INCREASE IN BENEFITS! ***
- **WITH LITTLE OR NO PLANNING WHO DOES THIS AFFECT?- TYPICALLY WOMEN!**

[HTTPS://WWW.SSA.GOV/PLANNERS/RETIRE/1943-DELAY.HTML](https://www.ssa.gov/planners/retire/1943-delay.html)

#1 PAYS TO WAIT.. BIG TIME

- **ALMOST 2,800 REGULATIONS THAT GOVERN OVER SOCIAL SECURITY**
– **VERY COMPLEX AND CONFUSING. ***
- **SIMILAR COMPLEXITY TO THE TAX CODE**

* [HTTPS://WWW.SSA.GOV/SLGE/LAW_REGS.HTM](https://www.ssa.gov/slge/law_regs.htm)



Birth Year	FRA	Age 62 Reduction
1941	65 & 8 Months	23.33%
1942	65 & 10 Months	24.17%
1943-1954	66	25%
1955	66 & 2 Months	25.83%
1956	66 & 4 Months	26.67%
1957	66 & 6 Months	27.5%
1958	66 & 8 Months	28.33%
1959	66 & 10 Months	29.17%
1960+	67	30%

<https://www.ssa.gov/planners/retire/retirechart.html>



#1 PAYS TO WAIT.. BIG TIME

SOCIAL SECURITY INCOME BENEFITS ARE BASED ON **TWO KEY FACTORS.**

- **THE **AGE** THAT YOU START TAKING SOCIAL SECURITY INCOME – BETWEEN AGES 62 TO 70 (FULL RETIREMENT AGE –FRA - \$3,148* MAX.**

* [HTTPS://WWW.SSA.GOV/NEWS/PRESS/FACTSHEETS/COLAFACTS2021.PDF](https://www.ssa.gov/news/press/factsheets/colafacts2021.pdf)

#1 PAYS TO WAIT.. BIG TIME

- **HOW MUCH DID YOU AND YOUR EMPLOYER PAY IN (FICA) – PRIMARY INSURANCE AMOUNT - PIA. –**
- **6.2 % FOR SOCIAL SECURITY PLUS 1.45% FOR MEDICARE IF SELF-EMPLOYED YOU PAY BOTH SIDES**

[HTTPS://WWW.IRS.GOV/TAXTOPICS/TC751](https://www.irs.gov/taxtopics/tc751)



#1 PAYS TO WAIT.. BIG TIME

- **TO QUALIFY -40 CREDITS - 4 CREDITS PER YEAR X 10 YEARS
CURRENTLY \$1,470 PER CREDIT OR \$5,880 PER YEAR.**
- **GO TO [WWW.SSA.GOV](http://www.ssa.gov) TO REVIEW YOUR STATEMENT.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10072.PDF](https://www.ssa.gov/pubs/en-05-10072.pdf)

REDUCTION OF BENEFITS BEFORE FRA

- **IF YOU'RE UNDER YOUR FULL RETIREMENT AGE (FRA) AND MAKE OVER \$18,240 YOUR BENEFITS CAN BE REDUCED \$1 FOR EVERY \$2 OVER.**
- **THE YEAR OF YOUR FRA YOU CAN EARN UP TO \$50,520 WITH NO REDUCTION. EVERY ADDITIONAL \$3 OVER REDUCES YOUR BENEFIT BY \$1.**
- **THIS ENDS AFTER YOUR FRA WITH NO REDUCTIONS.**

[HTTPS://WWW.SSA.GOV/PLANNERS/RETIRE/APPLYING2.HTML](https://www.ssa.gov/planners/retire/applying2.html)



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TAXES 2021

- **IF YOU FILE AS AN INDIVIDUAL AND YOUR COMBINED INCOME* IS \$25,000 TO \$34,000 YOU MAY HAVE TO PAY TAX UP TO 50%. MAKE MORE THAN \$34,000, UP TO 85% OF YOUR BENEFITS MAY BE TAXABLE.**
- **FOR A JOINT RETURN AND YOUR COMBINED INCOME* IS \$32,000 TO \$44,000 UP TO 50% OF YOUR BENEFITS TAXABLE, OVER \$44,000 THEN UP TO 85% TAXABLE.**
- **MARRIED AND FILE SEPARATE TAX RETURNS, YOU PROBABLY WILL OWE.**
- ***COMBINED INCOME IS YOUR ADJUSTED GROSS INCOME + NONTAXABLE INTEREST + ½ OF YOUR SOCIAL SECURITY BENEFITS.**

[HTTPS://WWW.SSA.GOV/PLANNERS/TAXES.HTML](https://www.ssa.gov/planners/taxes.html)

Comparison of Strategies

Year	Ages	ANNUAL BENEFIT			CUMULATIVE VALUE ¹		
		★ Maximum	① Alternative	② Alternative	★ Maximum	① Alternative	② Alternative
2030	60/57	0	0	0	0	0	0
2031	61/58	0	0	0	0	0	0
2032	62/59	0	0	17,038	0	0	17,038
2033	63/60	0	0	29,928	0	0	46,966
2034	64/61	0	0	30,684	0	0	77,650
2035	65/62	0	0	52,940	0	0	130,590
2036	66/63	0	0	65,280	0	0	195,870
2037	67/64	0	31,280	66,900	0	31,280	262,770
2038	68/65	0	48,096	68,580	0	79,376	331,350
2039	69/66	0	49,296	70,296	0	128,672	401,646
2040	70/67	41,768	89,376	72,048	41,768	218,048	473,694
2041	71/68	64,224	104,880	73,848	105,992	322,928	547,542
2042	72/69	65,832	107,508	75,696	171,824	430,436	623,238
2043	73/70	119,352	110,196	77,592	291,176	540,632	700,830
2044	74/71	140,064	112,944	79,536	431,240	653,576	780,366
2045	75/72	143,568	115,776	81,528	574,808	769,352	861,894
2046	76/73	147,144	118,668	83,568	721,952	888,020	945,462
2047	77/74	150,828	121,632	85,656	872,780	1,009,652	1,031,118
2048	78/75	154,596	124,680	87,792	1,027,376	1,134,332	1,118,910
2049	79/76	158,460	127,800	89,988	1,185,836	1,262,132	1,208,898
2050	80/77	162,420	130,980	92,244	1,348,256	1,393,112	1,301,142
2051	81/78	166,488	134,256	94,548	1,514,744	1,527,368	1,395,690
2052	82/79	170,640	137,616	96,912	1,685,384	1,664,984	1,492,602
2053	83/80	174,912	141,060	99,324	1,860,296	1,806,044	1,591,926
2054	84/81	179,292	144,588	101,820	2,039,588	1,950,632	1,693,746
2055	85/82	183,768	148,200	104,352	2,223,356	2,098,832	1,798,098
2056	86	95,340	76,896	63,432	2,318,696	2,175,728	1,861,530
2057	87	97,728	78,816	65,016	2,416,424	2,254,544	1,926,546
2058	88	100,176	80,784	66,648	2,516,600	2,335,328	1,993,194
2059	89	102,672	82,800	68,316	2,619,272	2,418,128	2,061,510
2060	90	105,240	84,876	70,020	2,724,512	2,503,004	2,131,530
2061	91	107,880	87,000	71,772	2,832,392	2,590,004	2,203,302
2062	92	110,568	89,172	73,572	2,942,960	2,679,176	2,276,874
2063	93	113,340	91,404	75,408	3,056,300	2,770,580	2,352,282
2064	94	116,172	93,684	77,292	3,172,472	2,864,264	2,429,574

Summary

SELECTED START AGES	CUMULATIVE VALUE ¹
★ John at 70, Jane at 70	\$3,172,472

ALTERNATIVE START AGES	CUMULATIVE VALUE ¹	DIFFERENCE FROM SELECTED
① John at 67, Jane at 67	\$2,864,264	\$308,208 less
② John at 62, Jane at 62	\$2,429,574	\$742,898 less

- **JOHN AGE 51 – FRA \$2634/MONTH**
- **JANE AGE 48 - FRA \$2,700/MONTH**
- **OPTIONS TO START AT 62, 67 AND AGE 70**
- **AT YEAR 2050 DIFFERENCE IN 92K, 130K AND 162K A YEAR**
- **SAMPLE FROM WWW.PLANFACTS.COM FOR ILLUSTRATION ONLY**

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#2 GETTING THE RIGHT ANSWERS

- **SINCE SOCIAL SECURITY IS A GOVERNMENT AGENCY THEY CAN ANSWER QUESTIONS BUT LEGALLY CANNOT GIVE ADVICE**
- **WHAT IF YOU DON'T KNOW THE RIGHT QUESTIONS TO ASK?**

#2 GETTING THE RIGHT ANSWERS

WOULD YOU CALL THE IRS TO HELP GET ADVICE ON HOW TO MAXIMIZE DEDUCTION ON YOUR TAX RETURN?



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#2 GETTING THE RIGHT ANSWERS

WITH ALMOST 2,800 REGULATIONS - IN MANY CASES WE HAVE FOUND THAT THE ANSWERS GIVEN BY SOCIAL SECURITY STAFF ARE NOT ALWAYS CORRECT.

[HTTPS://WWW.SSA.GOV/SSI/SSI-LAW-REGS.HTM](https://www.ssa.gov/ssi/ssi-law-regs.htm)

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#2 GETTING THE RIGHT ANSWERS

- **SOCIAL SECURITY EMPLOYEES ON THE PHONE RECEIVE THREE WEEKS TRAINING**
- **SOCIAL SECURITY EMPLOYEES IN THE OFFICE RECEIVE 3 MONTHS TRAINING**

[HTTPS://WWW.SSA.GOV/NY/JOBS-GENERAL.HTM](https://www.ssa.gov/ny/jobs-general.htm)

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#3 FOCUS ON FAMILY

SINGLE

- **TO QUALIFY NEED FULL 40+ CREDIT HOURS.**
- **YOU GO ON YOUR OWN BENEFITS IF YOU WERE NEVER MARRIED OR MARRIED LESS THAN 10 YEARS.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)



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#3 FOCUS ON FAMILY

MARRIED



- IT'S SMART TO DELAY THE **HIGHER** OF THE TWO BENEFITS
- SURVIVOR SPOUSE GETS ONLY THE HIGHEST BENEFIT- NOT BOTH.

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)

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#3 FOCUS ON FAMILY

MARRIED

- **YOU CANNOT START SPOUSAL BENEFITS UNTIL YOU HAVE BEEN MARRIED 1 YEAR**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)



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#3 FOCUS ON FAMILY

DIVORCED

- **MUST BE LEGALLY MARRIED OVER 10 YEARS.**
- **DON'T QUALIFY ON YOUR OWN RECORD - YOU MAY QUALIFY FOR A 1/2 EX SPOUSE BENEFIT.**
- **YOU ALWAYS GET YOUR OWN BENEFIT FIRST**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)



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#3 FOCUS ON FAMILY

DIVORCED

- **EX PASSES AWAY -WIDOWERS BENEFITS AS LONG AS YOU HAVE NOT REMARRIED.**
- **YOU HAVE TO WAIT 2 YEARS AFTER DIVORCE TO PULL EX'S BENEFITS.**
- **EVEN IF YOUR FORMER SPOUSE IS REMARRIED, YOU BOTH WILL BE ABLE TO PULL THE SAME BENEFITS.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)

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#3 FOCUS ON FAMILY

WIDOWED



- **DISABILITY BENEFITS AS EARLY AS AGE 50.**
- **EARLY RETIREMENT BENEFITS EARLIER AT AGE 60.**
- **KIDS' BENEFITS TO AGE 18 OR 19 IF THEY ARE STILL IN SCHOOL.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)

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#3 FOCUS ON FAMILY

WIDOWED

- **PARENTS CAN GET BENEFITS UNTIL THE CHILD REACHES THE AGE OF 16
IF THEY MAKE UNDER - \$1,580 PER MONTH**
- **IF YOUR SPOUSE DIED OF NATURAL CAUSES YOU NEED TO HAVE BEEN
MARRIED AT LEAST 9 MONTHS. - NO MINIMUM LENGTH REQUIRED FOR
ACCIDENTAL DEATH.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)

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#3 FOCUS ON FAMILY

WIDOWED

- **EVEN IF YOU REMARRY AFTER THE AGE OF 60, YOU STILL QUALIFY FOR WIDOWERS BENEFITS**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)

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#3 FOCUS ON FAMILY

KIDS

- **NATURAL OR ADOPTIVE PARENT OR STEP-PARENTS QUALIFY.**
- **GRANDPARENTS THAT HAVE ADOPTED OR IN SOME CASES GUARDIANS**
- **FULL TIME CAREGIVERS ONLY.**
- **BENEFITS CAN GO UNTIL KIDS ARE 18 AND IN SOME CASES 19.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)

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#3 FOCUS ON FAMILY

KIDS

- **KIDS WITH DISABILITIES HAVE DIFFERENT RULES THAT APPLY.**
- **BENEFITS CAN BE PAID OUT IN CASES OF DEATH, DISABILITY OR RETIREMENT.**
- **THERE IS A MAXIMUM FAMILY BENEFIT.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10024.PDF](https://www.ssa.gov/pubs/en-05-10024.pdf)



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#3 FOCUS ON FAMILY

LGBTQ



- **LEGALLY MARRIED LGBTQ COUPLES NOW HAVE THE SAME ACCESS TO ALL SOCIAL SECURITY BENEFITS THAT OTHER COUPLES WERE ENTITLED TO IN THE PAST.**
- **EVEN IF YOU WERE WIDOWED OR DIVORCED AND WERE LEGALLY MARRIED BEFORE THE NATIONAL LAWS WENT INTO EFFECT JUNE 26, 2015 YOU MAY STILL QUALIFY FOR BENEFITS.**

[HTTPS://WWW.SSA.GOV/PEOPLE/SAME-SEXCOUPLES/](https://www.ssa.gov/people/same-sex-couples/)

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#3 FOCUS ON FAMILY

EX PATRIOTS



- **36 COUNTRIES HAVE AGREEMENTS TO PREVENT DOUBLE TAXATION OTHERWISE YOU'RE SUPPOSE TO PAY INTO BOTH SYSTEMS.**
- **29 COUNTRIES HAVE BI-LATERAL AGREEMENTS WHERE YOU CAN TRANSFER **TO OR FROM** THE US TO THE NEW HOST COUNTRY. YOU CAN VEST INTO EITHER SYSTEM.**

[HTTPS://HOME.TREASURY.GOV/POLICY-ISSUES/TAX-POLICY/TREATIES](https://home.treasury.gov/policy-issues/tax-policy/treaties)

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#3 FOCUS ON FAMILY

EX PATRIOTS

- **MEDICARE IS FOR USE IN THE US ONLY (EXCEPT IN EMERGENCY SITUATIONS) SO YOU WILL NEED OUTSIDE HEALTH INSURANCE COVERAGE. IF YOU EVER PLAN TO MOVE BACK TO THE US YOU BETTER STILL APPLY FOR MEDICARE AT AGE 65 OR THERE WILL BE HIGHER FEES LATER.**
- **YOUR NON-US SPOUSE MAY OR MAY NOT BE ELIGIBLE FOR YOUR BENEFITS. IT DEPENDS ON MANY FACTORS.**

[HTTPS://WWW.SSA.GOV/FOREIGN/](https://www.ssa.gov/foreign/)

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#3 FOCUS ON FAMILY

SELF EMPLOYED

- **YOU NEED MINIMUM OF 40 CREDITS - 4 CREDITS PER YEAR FOR 10 YEARS**
- **2021 \$1,470 OR \$5,880.**
- **TOP 35 YEARS ARE FACTORED WITH \$0'S COUNTING**
- **TIP: IF SELF EMPLOYED WAGES SHOULD BE AT LEAST \$5,880 OR MORE**
- **TIP: PAY AT HOME SPOUSES HELPING WITH THE FAMILY BUSINESSES.**

[HTTPS://WWW.SSA.GOV/PUBS/EN-05-10022.PDF](https://www.ssa.gov/pubs/en-05-10022.pdf)

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SOCIAL SECURITY DISABILITY

- **ONCE QUALIFIED, ONE MUST SHOW INCOME 5 OUT OF THE LAST 10 YEARS OVER THE ANNUAL MINIMUM OF \$5,880 IN 2021**
- **TIP: AMEND THE LAST 3 YEARS OF TAX RETURNS.**
- **TIP: AT HOME SPOUSES THAT HELP WITH BUSINESS, PAY THEM AT LEAST \$5,880**

[HTTPS://WWW.SSA.GOV/DISABILITY/](https://www.ssa.gov/disability/)

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ARE YOU GRANDFATHERED IN?

- **GRANDFATHERED IN UNDER OLD SOCIAL SECURITY RULES**
 - **MUST HAVE TURNED 62 BY 1/1/2016**
 - **FILE AND SUSPEND**
 - **RESTRICTED APPLICATIONS**

[HTTPS://WWW.SSA.GOV/PLANNERS/RETIRE/CLAIMING.HTML](https://www.ssa.gov/planners/retire/claiming.html)



..SO MUCH MORE

- **ABOUT 40% OF AMERICAN'S PAY TAX ON THEIR SOCIAL SECURITY BENEFITS.**
- **IF YOU OR YOUR SPOUSE HAVE A PENSION AND DID NOT PAY INTO SOCIAL SECURITY THERE CAN BE AN OFFSET THAT WOULD REDUCE BENEFITS (GPO AND WEP).**

[HTTPS://WWW.FOOL.COM/RETIREMENT/2017/01/29/19-MILLION-AMERICANS-PAY-TAX-ON-SOCIAL-SECURITY-BE.ASPX](https://www.fool.com/retirement/2017/01/29/19-million-americans-pay-tax-on-social-security-be.aspx)

[HTTPS://WWW.SSA.GOV/PLANNERS/RETIRE/GPO-WEP.HTML](https://www.ssa.gov/planners/retire/gpo-wep.html)

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..SO MUCH MORE

TO LEARN MORE YOU CAN SIGN UP FOR OUR FREE E-BOOK AT
WWW.SOCIALSECURITYBP.COM

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[HTTPS://WWW.NATIONALSOCIALSECURITYASSOCIATION.COM/](https://WWW.NATIONALSOCIALSECURITYASSOCIATION.COM/)

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SOCIAL SECURITY BENEFIT PLANNERS

HOW CAN YOU PLAN FOR AND MAXIMIZE INCOME IN RETIREMENT? FAYE HAS 16 YEARS EXPERIENCE AS A FINANCIAL ADVISOR WITH A SPECIALTY IN SOCIAL SECURITY PLANNING FOR THE LAST TEN YEARS AND IS A GRADUATE OF SYRACUSE UNIVERSITY. SHE IS A NATIONAL SPEAKER, HAS BEEN SEEN ON TV, RADIO AND LIVE EVENTS.

WE INVITE YOU TO LET US HELP YOU OPTIMIZE YOUR SOCIAL SECURITY INCOME TODAY!

HERE'S TO YOUR FANTASTIC RETIREMENT!

WWW.SOCIALSECURITYBP.COM

CONTACT INFO@SOCIALSECURITY.COM



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FAYE SYKES, CEO

SOCIAL SECURITY PLANNING