




Learn the Basics of When and How to Claim Social Security





**Interactive
experience**

**Strategies,
tools and tips**



Key questions



**How will you
generate income?**



**What is
Social Security?**



**How and when will you
claim Social Security?**



How will you generate income once you stop working?



Income in retirement

- Social Security
- A pension
- Rental property
- Other sources

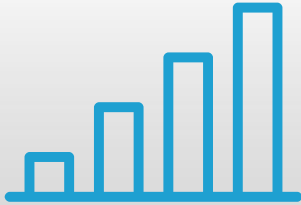


Ensure your money lasts

- Create a budget
- Check your financial readiness
- Make adjustments



How will you pay for health care?



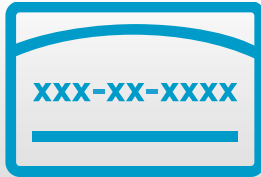
Costs are rising



Plan for these expenses in retirement



What is Social Security?



There's a good chance you've
paid into Social Security



Social welfare and
insurance program



Pays benefits



How and when will you claim Social Security?

Things to consider:



Age



Life Expectancy



Gender



Marital Status



Income



Social Security and Medicare are the same thing.



Myth

OR



Truth

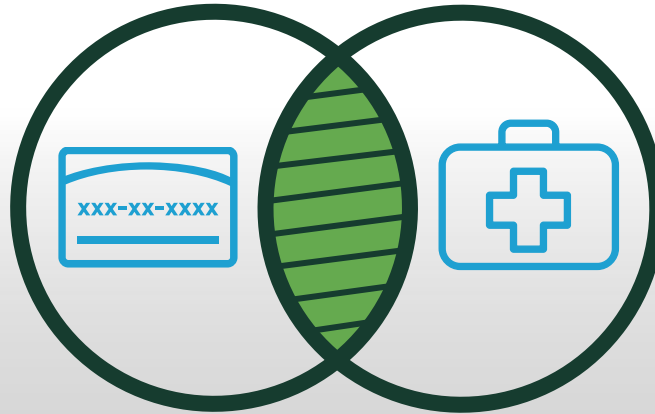


Myth!

SOCIAL SECURITY

Helps generate income
in retirement

Eligible at age 62



BOTH

Social insurance programs

MEDICARE

Basic health
insurance

Eligible at age 65



The Social Security fund will be completely gone in a few years.



Myth

OR



Truth

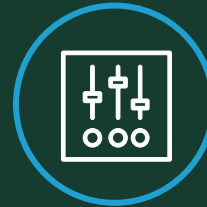


Myth!

80
YEARS



Workers close to retirement can expect to receive full benefits



Future retirees should be prepared for potential adjustments



How Social Security Works

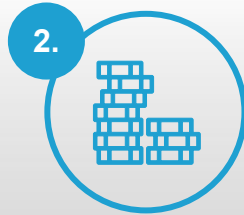




Qualifying for Social Security



You worked for a
“covered” employer



You earned at
least 40 “credits”



Age 62



You worked for a “covered” employer

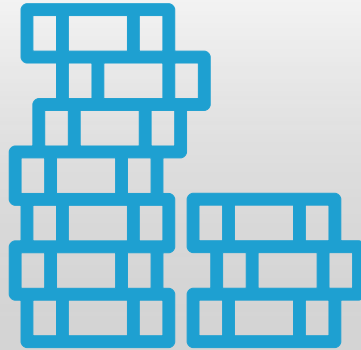




You earned at least 40 “credits”

2.

One credit is earned
for a certain dollar
amount of wages



You can earn up
to 4 credits per year
(1 per quarter)



You earned at least 40 “credits”

10

YEARS

x

4

CREDITS

=

40

CREDITS



QUALIFY FOR SOCIAL SECURITY





You earned at least 40 “credits”



Self-Employed



Military Service



Married



You are at least age 62

Claiming early =
benefit reduction

3.



Full Retirement Age
ranges from age 66–67



You should collect Social Security as soon as you're eligible, at age 62.



Myth

OR



Truth



Myth!



How much income do you need?



What other income sources are available?



The longer you wait, the higher the benefit



Consider your life expectancy



Full Retirement Age

If you were born in...	Your full retirement age is...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years



How is your benefit calculated?



**Claim Social Security
between ages 62–70**



**Calculation based on
Full Retirement Age**



**Claiming early will
result in reduced benefit**



**Waiting to claim will
result in higher benefit**



Estimating your Social Security benefit



Average of
your 35 highest-
earning years



Age when
your payments
begin



View statement
and estimate your
benefit at [SSA.gov](https://www.ssa.gov)



Using your benefit estimate

How much longer should I work?

Should I keep working to replace low-earning years?



Will working longer get me to 35 years of earnings?

Did I have any \$0 earning years?



Social Security benefit statement and calculation

Your Earnings Record

Year You Worked	Your Total Social Security Earnings	Your Total Medicare Earnings
1990	654	654
1991	1,592	1,592
1992	2,254	2,254
1993	4,078	4,078
1994	6,367	6,367
1995	9,923	9,923
1996	9,985	9,985
1997	13,095	13,095
1998	18,232	18,232
1999	19,252	19,252
2000	22,540	22,540
2001	24,543	24,543
2002	26,341	26,341
2003	28,472	28,472
2004	30,970	30,970
2005	33,225	33,225
2006	35,799	35,799
2007	38,342	38,342
2008	40,667	40,667
2009	43,195	43,195
2010	41,790	41,790
2011	43,708	43,708
2012	45,718	45,718
2013	Not yet recorded	

You and your family may be eligible for valuable benefits. When you die, your family may be eligible to receive survivors benefits. Social Security may help you if you become disabled—even at a young age. A young person who has worked and paid Social Security taxes in as few as two years can be eligible for disability benefits. Social Security credits you earn move with you from job to job throughout your career.

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above.

Estimated taxes paid for Social Security:	Estimated taxes paid for Medicare:
You paid: \$31,322	You paid: \$7,744
Your employers paid: \$33,112	Your employers paid: \$7,744

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$117,000 of your earnings and a 1.45 percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employer and employee amounts, which is a 12.4 percent Social Security tax on up to \$117,000 of your net earnings and a 2.9 percent Medicare tax on your entire net earnings. *If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct. (Some or all of your earnings from last year may not be shown on your Statement. It could be that we still were processing last year's earnings reports when your Statement was prepared. Your complete earnings for last year will be shown on next year's Statement. Note: If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.)

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, all of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time) if any earnings for years before last year are shown incorrectly. Please bring your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

Year	Earnings
2006	\$71,500
2007	\$72,800
2008	\$73,600
2009	\$75,000
2010	\$76,500
2011	\$78,000
2012	\$79,300
2013	\$81,500
2014	\$82,900
2015	\$84,210
2016	\$88,760
2017	\$91,300

Year	Earnings
2006	\$15,000
2007	\$7,500
2008	\$13,500
2009	\$16,000
2010	\$8,600
2011	\$0
2012	\$34,680
2013	\$37,300
2014	\$22,000
2015	\$15,300
2016	\$45,000
2017	\$46,300



You can't claim Social Security until you stop working.



Myth

OR



Truth



Myth!

How Working Affects Your Benefit

Age	Benefit reduced
Younger than FRA	\$1 for every \$2 over the limit
Reach FRA during year	\$1 for every \$3 over the limit
Reach the month of FRA	No reduction

[VIEW IRS.GOV FOR ANNUAL LIMITS](https://www.irs.gov)



Deciding when to claim





Ways to claim



**Your own
work record**



**A spouse's work record
(current or ex-spouse)**



**A deceased spouse's
work record**



Spousal benefits



At least
age 62



Spouse receiving
benefits



Qualify for Medicare
at age 65



Claiming spousal benefits



Current or former spouse of worker



Worker must be taking Social Security first



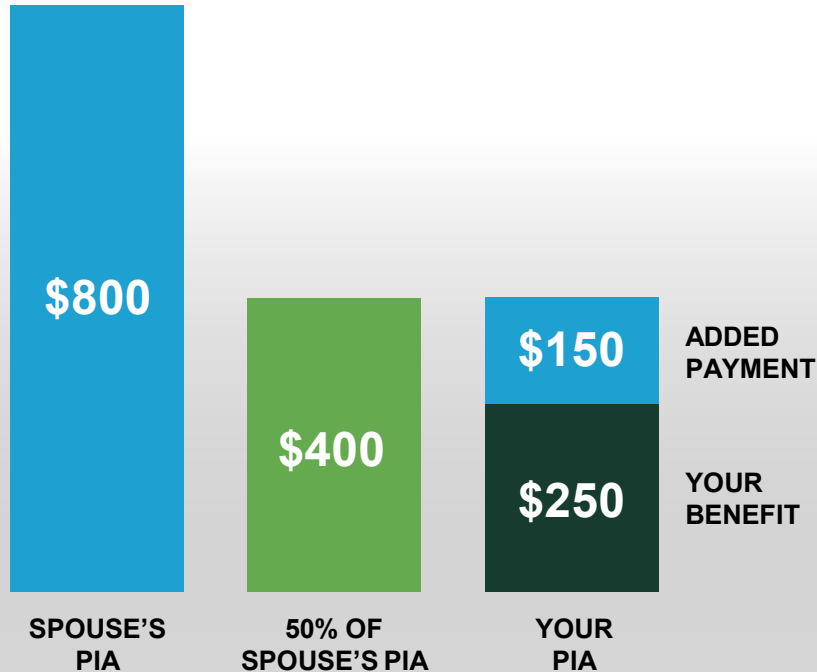
At Full Retirement Age, spouse qualifies for 50% of the benefit



Social Security Administration's website



You have a work record and a current spouse



total benefit cannot exceed

50%

of your spouse's primary insurance amount (PIA)



Claiming on an ex-spouse's work record



**Marriage for
10 years**



**You have not
remarried**



**Both eligible for
Social Security**



**Divorced two or
more years**



Impact of claiming at different ages

Full Retirement Age (FRA) of 67

AGE

BENEFITS %

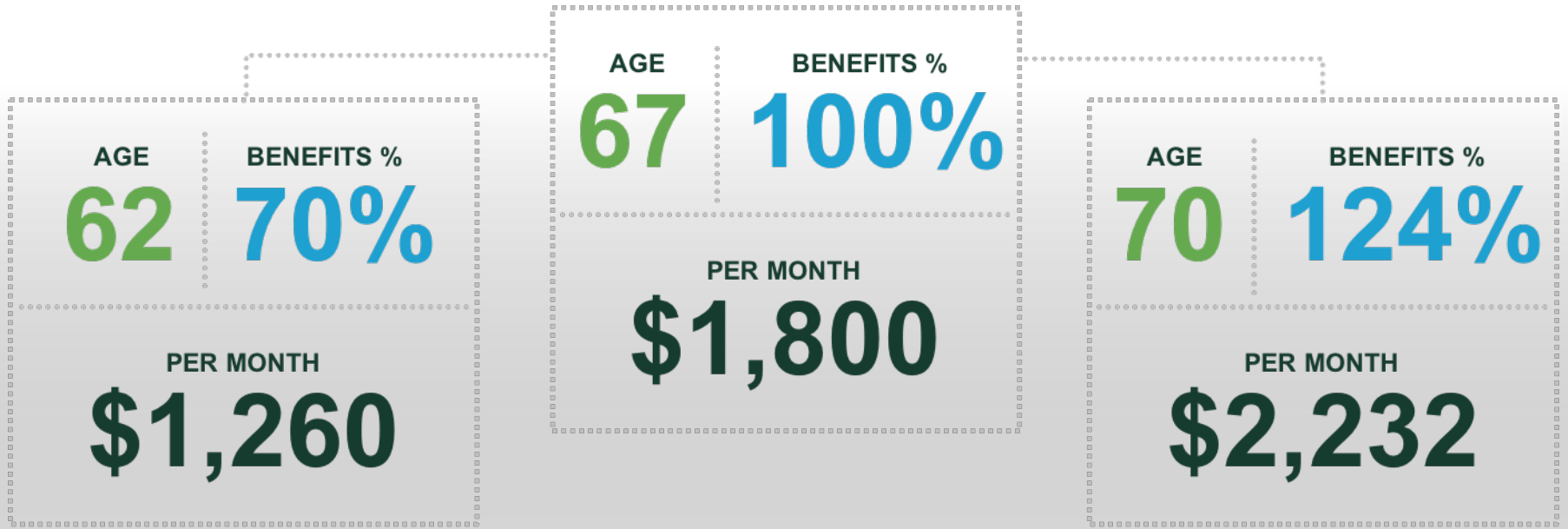
62

70%



Impact of claiming at different ages

FULL RETIREMENT AGE





Provided by
Fidelity
INVESTMENTS

When should you claim SOCIAL SECURITY?

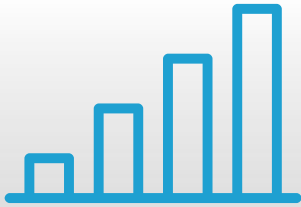
If you are 50 or over, it's a good time to start thinking about how Social Security fits into your overall plan. The right strategy could mean a significant difference in your retirement benefits, so let us show you an example of how you can get the most for your future.

I WAS BORN 





Waiting to claim



Larger Monthly Benefit



You are healthy



Expect to live longer



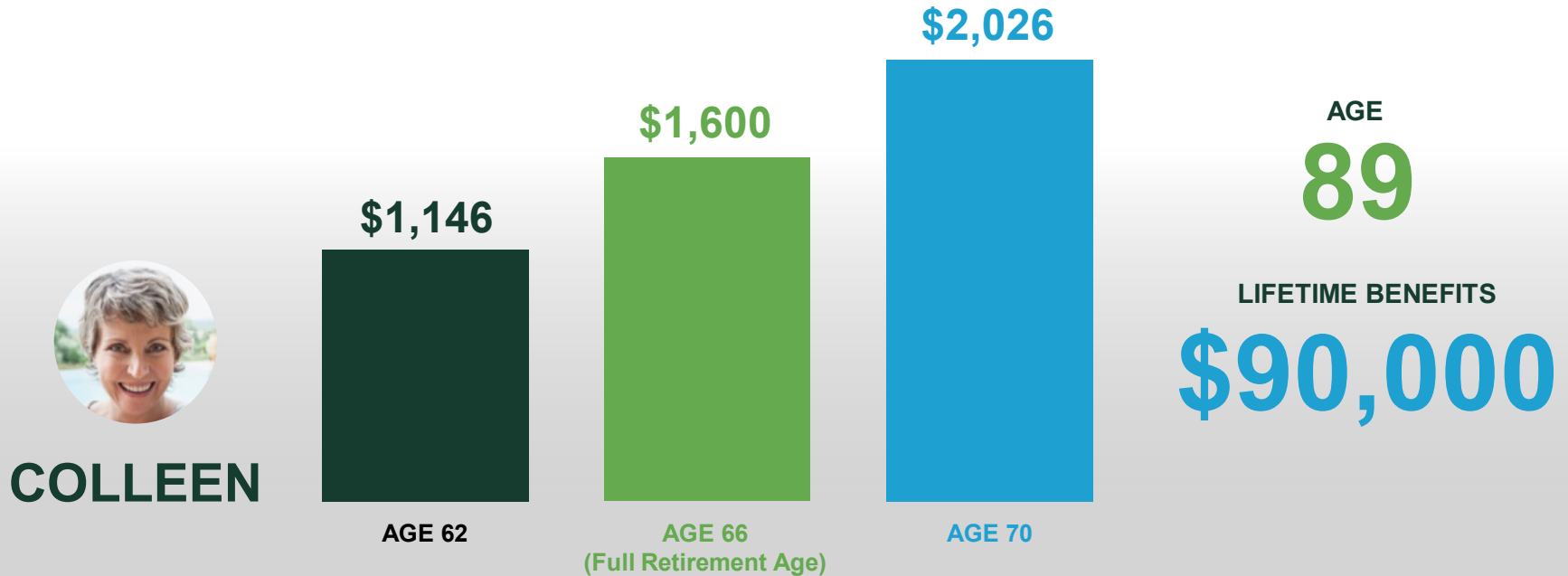
Have enough money



Plan to work until age 70



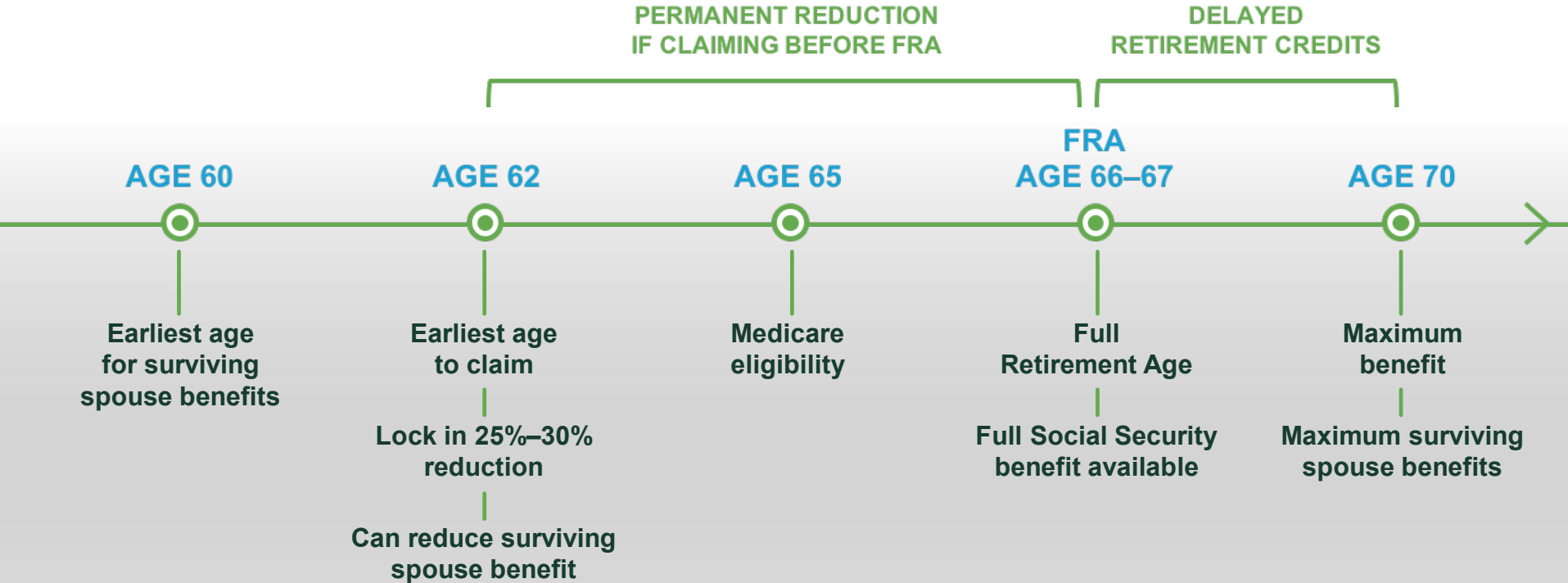
Waiting to claim



Hypothetical example assumes an individual turning 62 in 2020. The hypothetical example is calculated by Fidelity Financial Solutions, based on data and methodology published by Social Security Administration as of March 2020. All benefits are calculated in today dollar and before tax. The actual benefit would be adjusted for inflation and might be subject to income tax. Lifetime benefits are based on life expectancy of 89. The lifetime number is sensitive to, and would change with, the life expectancy assumption.



When should you claim your benefit?





Review



Important part of retirement income



Basic eligibility



Spousal benefits



Estimate your benefit



Decide when to claim



Take the next steps





Next steps



Visit
[NetBenefits.com](https://www.netbenefits.com)



Estimate your benefit
[Fidelity.com/
whentoclaimSS](https://www.fidelity.com/whentoclaimSS)



Visit
[SSA.gov](https://www.ssa.gov)



Call for support
800-603-4015

Thank You!

The retirement planning information contained herein is general in nature and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. This information is provided for general educational purposes only and you should bear in mind that laws of a particular state, changes in Social Security rules, and your particular situation may affect this information. You should consult your attorney or tax advisor regarding your specific legal or tax situation.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

© 2017 – 2020 FMR LLC. All rights reserved.

790613.10.0