



# Social Security: With You Through Life's Journey...



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The 2017 Baby Names are here



Retirement



Disability



Online Services



New Medicare cards are in the mail



my Social Security

Check out your *Social Security Statement*, change your address & manage your benefits online today.



Social Security Number

Your Social Security number remains your first and continuous link with Social Security.



Retirement Estimator

Calculate your benefits based on your actual Social Security earnings record.



FAQs

Get answers to frequently asked questions about Social Security.

# Agenda

- Tax Year 2019 W-2 Reminders
- Social Security Number Verification Service
- Business Services Online
- Benefits/Retirement/Medicare
- Apply for Social Security Benefits Online
- *my* Social Security/ SSN Replacement Card Online (29 states)



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# 2019 W-2 Reminders

- Employee FICA Withholding - 6.2%
- Social Security Wage Maximum - \$128,400
- W-2s to Employees – January 31, 2019
- W-2 Deadline to SSA
  - Paper – January 31, 2019
  - Electronic – January 31, 2019



# Electronic Filing



- Free, fast, and secure
- Huge Cost Saving for You and SSA
  - 2 tenths of one cent per W-2
  - 5 W-2s for one shiny penny
- Saves time and reduces filing burden
- Offers a later filing deadline
- Immediate online receipt of filing
- More efficient and accurate processing



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# Electronic Filing

- Register - **Business Services Online (BSO)**
- Recommended for all
- Required for more than 249 W-2s/W-2Cs
- SSA **EFW2 - EFW2C** format required
  - Commercial software package
  - In-house software (specs available)
  - eFiling third party payroll vendors (*ADP, Paychex, Ceridian, QuickBooks, Greatland, etc.*)
  - See vendor list online
- ✓ Or use **W-2 and W-2C Online....**



# Social Security Number Verification Service

- Web-based - Name/SSN Verification
  - Name & number matching for wage reporting
  - *Not for screening potential hires*
  - *Not for income tax filing purposes*
- Verification failure not a basis in and of itself for adverse action



# Social Security Number Verification Service

Two methods:

- Direct key up to 10 – immediate results
- Upload a file up to 250,000 – next day
- Register at BSO
- Get Activation Code
- Best Practice -Verify entire database once, then verify new hires (all, not selectively)



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# What to do if SSN Fails Verification

- Double check your entries
- Ask employee to verify the information against SSN card
- Refer employee to SSA field office to inquire about the mismatch
- If unable to correct by W-2 filing time, **report W-2 with the incorrect number from the W-4, even though you know the data is wrong.**
- Document your efforts



# Online Services

- We are constantly expanding our online service offerings to give you freedom and control in how you wish to conduct business with Social Security.
- No matter where, how, or when you decide to do business with us – we will always strive to provide the best experience and service to put you in control of your Social Security.



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# Business Services Online

- Free secure suite of services used to file W-2/W-3 wage reports and to verify Social Security Numbers
- For employers, accountants, and payroll providers
- Different from a *my* Social Security account
- [www.ssa.gov/employer](http://www.ssa.gov/employer)



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# Registering for Business Services Online

- User provides their personal information and business or employer's information
- SSA assigns unique User ID
- User creates their own password and selects desired services



# Filing Options

- **W-2/W-2C Online**
  - Electronic W-2 form; data is directly keyed into SSA system
  - 50 W-2s or 25 W-2Cs per report
  - Ideal for small businesses
  - Businesses can print copies of W-2s for employees on plain paper
- **Wage File Upload**
  - Employers upload their electronic report
  - Payroll software required to create file for upload



# Filing Support Applications

- **Social Security Number Verification System (SSNVS)**
  - Verify names and Social Security Numbers of hired employees for wage reporting purposes **only**
  - Not to be confused with E-Verify
- **AccuWage**
  - Checks wage reports for formatting errors
  - Significantly reduces processing issues
  - SSA recommends using this service prior to sending a report





# Benefits

Cost Savings for Businesses	Efficient and Accurate Processing	Tracking Capabilities for Businesses
All electronic wage reporting services are <u>free</u>	Faster processing of wage reports	Provide immediate receipt of report
No need to purchase stamps or paper forms	IRS receives wage data daily	Monitor report processing status
Can use off-the-shelf software	SSA can identify report errors	Receive notifications electronically
Self-service for small, medium, and large businesses	Reduces errors to SSA and IRS records	



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# SSA Is Here To Help

- Employer 1-800 #s
- Employer Services Liaison Officer (ESLO)
- Social Security Administration Website
- Business Services Online Registration Tutorial Video
- Electronic filing W-2 Handbook



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# Need Help?

- [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer)
- FAQs
- Tutorials
- Demonstrations
- BSO/SSNVS handbooks
- IRS/SSA instructions
- Employer line – 800-772-6270
- BSO assistance – 888-772-2970



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# How Do You Qualify for Retirement Benefits?

- By earning “credits” when you work and pay Social Security taxes
- You need 40 credits (10 years of work) and you must be 62 or older
- Each \$1,320 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

*Note: To earn 4 credits in 2018, you must earn at least \$5,280.00.*



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# How Social Security Determines Your Benefit?

Benefits are based on earnings

- Step 1 -Your wages are adjusted for changes in wage levels over time
- Step 2 -Find the monthly average of your 35 highest earnings years
- Step 3 -Result is “average indexed monthly earnings”



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# Retirement Estimator

- Gives estimates based on your actual Social Security earnings record
- You can use the Retirement Estimator if:
  - You have enough Social Security credits at this time to qualify for benefits **and**
  - You are **not**:
    - Currently receiving benefits on your own Social Security record;
    - Waiting for a decision about your application for benefits or Medicare;
    - Age 62 or older and receiving benefits on another Social Security record;
    - or**
    - Eligible for a Pension Based on Work Not Covered By Social Security.

[socialsecurity.gov/estimator](https://socialsecurity.gov/estimator)



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# Online Calculators

Online  
Life Expectancy  
Retirement  
Early or Late  
GPO  
Detailed  
WEP  
Calculator  
Earnings Test  
Benefits for Spouses  
Quick Estimator  
Age



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# 2018 Retirement Benefit Formula



If your average monthly earnings are = **\$5,500**  
 Then your monthly benefit would be = **\$2,261**

## Average Monthly Earnings = \$5,500



90% of First..... **\$895** is **\$805**



32% of Earnings over \$895 through \$5,397... **\$4,502** is **\$1,440**  
 (\$5,397-\$895=\$4,502)



15% of Earnings over \$5,397..... **\$103** is **\$15**

**\$5,500** is **\$2,260**

*\*Payments rounded to whole dollar amounts*



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# 62

Earliest Age to Retire  
with 75% of Benefit  
(If your Full Retirement Age is 66)



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Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	A \$500 spouse benefit taken at age 62 would be reduced by
1943-1954	66	25%	30%
1955	66 and 2 months	25.83%	30.83%
1956	66 and 4 months	26.67%	31.67%
1957	66 and 6 months	27.5%	32.5%
1958	66 and 8 months	28.33%	33.33%
1959	66 and 10 months	29.17%	34.17%
1960 +	67	30%	35%



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# Working While Receiving Benefits

If you are	You can make up to	If you earn more, some benefits will be withheld
Under Full Retirement Age	\$17,040/yr.	\$1 for every \$2
The Year Full Retirement Age is Reached	\$45,360/yr. before month of full retirement age	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

Note: If some of your retirement benefits are withheld because of your earnings, your benefits will be increased starting at your full retirement age to take into account those months in which benefits were withheld.



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# 66

Full Retirement Age  
100% of Benefit  
and No Income Limit  
(If your Full Retirement Age is 66)



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# 70

Max

Delayed Retired Credit

132% of Benefit

(If your Full Retirement Age is 66)



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# Spousal Benefits

- Benefit is 50% of worker's unreduced benefit
- Reduction for early retirement
- If spouse's own benefit is less than 50% of the worker's, the benefits are combined
- Does not reduce payment to the worker
- Benefit is 100% regardless of age if spouse is caring for a child under age 16 or disabled



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# Benefits for Divorced Spouses

You may receive benefits on your ex-spouse's record (even if he or she has remarried) if:

- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is entitled to Social Security retirement or disability benefits; and
- The benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.

*Note: Marriage must have lasted 10 years or longer*



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# Windfall Elimination Provision (WEP)

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.

WEP can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985.

[socialsecurity.gov/planners/retire/wep.html](https://socialsecurity.gov/planners/retire/wep.html)



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# Windfall Elimination Provision (WEP)

Normal Computation	WEP Computation
90% of the <u>first</u> \$895	40% of the <u>first</u> \$895
32% of the next \$4,502	32% of the next \$4,502
15% of the remainder	15% of the remainder

Max WEP loss for someone who turns 62 in 2018 is \$448/month



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# Exception to the WEP

Years of Substantial Earnings	% of First Factor in Benefit Formula
30 or more	90
29	85
28	80
27	75
26	70
25	65
24	60
23	55
22	50
21	45
20 or fewer	40



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# For People Younger Than Full Retirement Age During 2018

If your monthly Social Security Benefit is	And you earn	You'll receive yearly benefits of
\$700	\$17,040 or less	\$8,400
\$700	\$18,000	\$7,920
\$700	\$20,000	\$6,920

*Note: Chart above for illustrative purposes only*



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# Taxation of Social Security Benefits



If you:

**file a federal tax return as an "individual"** and your *combined income\** is

- between \$25,000 and \$34,000, you may have to pay income tax on up to 50 percent of your benefits.
- more than \$34,000, up to 85 percent of your benefits may be taxable.



**file a joint return**, and you and your spouse have a *combined income\** that is

- between \$32,000 and \$44,000, you may have to pay income tax on up to 50 percent of your benefits
- more than \$44,000, up to 85 percent of your benefits may be taxable.



**are married and file a separate tax return**, you probably will pay taxes on your benefits.

Visit [IRS.gov](https://www.irs.gov) and search for Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security And Equivalent Railroad Retirement Benefits*



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# Taxation of Social Security Benefits

Your adjusted gross income  
+ Nontaxable interest  
+ 1/2 of your Social Security benefits  
= Your "***combined income***"



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### Information For Tax Preparers



#### Additional Resources for Tax Preparers

- [Income Taxes And Your Social Security Benefits](#)
- [Withholding Income Tax From Your Social Security Benefits](#)
- [Information for Tax Preparers](#)
- [Replace Your Social Security Tax Documents with Ease - Information for Clients](#)
- [Get a replacement SSA-1099 - Poster](#)

#### Other Useful Resources

- [Information for Financial Planners](#)
- [Retirement Estimator](#)
- [Retirement Planner](#)
- [my Social Security](#)
- [myRA](#)

In our continuing effort to put our customers in control of their financial future, Social Security provides various online tools and resources that save time and effort. This website provides information to tax preparers about various Social Security online services including the *my Social Security* account that you can share with your clients to help streamline tax preparation.

#### Income Taxes and Social Security Benefits

Some people have to pay federal income taxes on their Social Security benefits. This usually happens if your clients have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to their benefits. Slightly more than 63 million people



# socialsecurity.gov/thirdparty/atp.html





# Government Pension Offset

- A type of benefit reduction that may affect some spouses and widows or widowers
- If you receive a government pension based on work not covered by Social Security, your SS spouse's or widow(er)'s benefits may be reduced.



[socialsecurity.gov/gpo](https://socialsecurity.gov/gpo)



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# Medicare

**Part A** = Hospital Insurance

**Part B** = Medical Insurance

**Part C** = Medicare Advantage Plans

**Part D** = Prescription Drug Plans

Visit [Medicare.gov](https://www.Medicare.gov) for details



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# New Medicare Cards

**Current Medicare Card**

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY  
**JANE DOE**

MEDICARE CLAIM NUMBER SEX  
**000-00-0000-A FEMALE**

IS ENTITLED TO EFFECTIVE DATE  
**HOSPITAL (PART A) 07-01-1986**  
**MEDICAL (PART B) 07-01-1986**

Sign HERE → *Jane Doe*

**New Medicare Card**

MEDICARE HEALTH INSURANCE

Beneficiary  
**JOHN L SMITH**

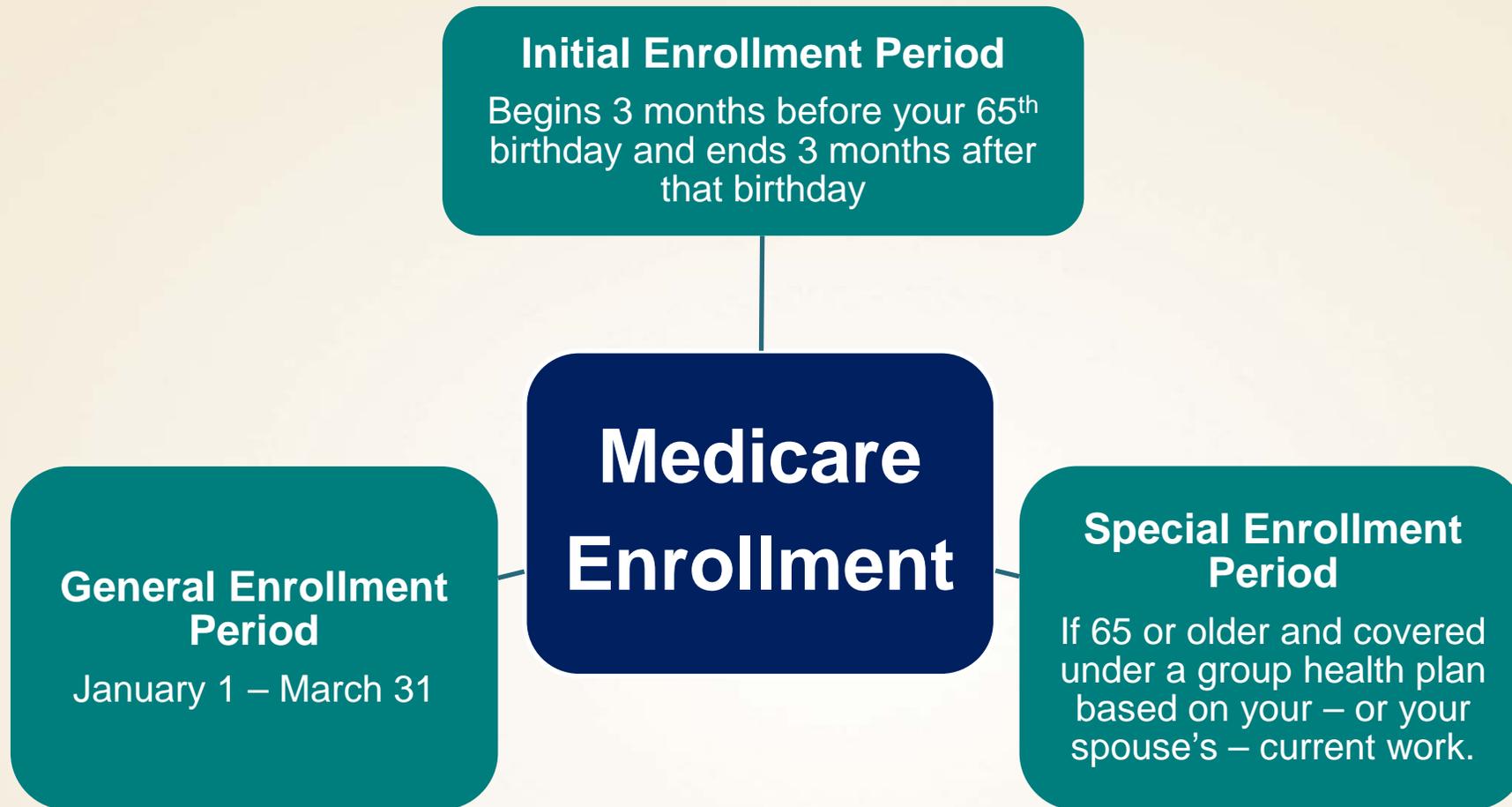
Medicare Number (based on Medicare)  
**1EQ4-TE5-MK72**

Entitled to Part A/Part B Coverage starts/Calendar month  
**PART A 03-03-2016**  
**PART B 03-03-2016**



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# The standard Part B premium for 2018 is \$134.00.

If you're single and file an individual tax return, or married and file a joint tax return:

Modified Adjusted Gross Income	Part B monthly premium amount	Prescription drug coverage monthly premium amount
Individuals with a MAGI of \$85,000 or less Married couples with a MAGI of \$170,000 or less	2017 standard premium \$134.00	Your plan premium
Individuals with a MAGI above \$85,000 up to \$107,000 Married couples with a MAGI above \$170,000 up to \$214,000	Standard premium + \$53.50	Your plan premium + \$13.30
Individuals with a MAGI above \$107,000 up to \$160,000 Married couples with a MAGI above \$214,000 up to \$320,000	Standard premium + \$133.90	Your plan premium + \$34.20
Individuals with a MAGI above \$160,000 up to \$214,000 Married couples with a MAGI above \$320,000 up to \$428,000	Standard premium + \$214.30	Your plan premium + \$55.20
Individuals with a MAGI above \$214,000 Married couples with a MAGI above \$428,000	Standard premium + \$294.60	Your plan premium + \$76.20



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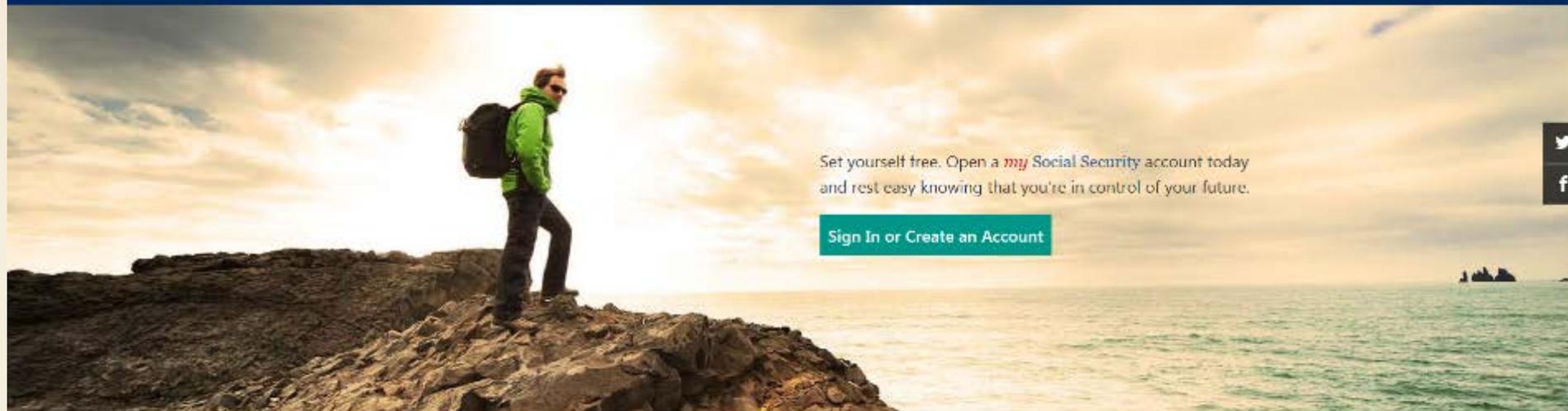
[SocialSecurity.gov](https://www.SocialSecurity.gov)

# my Social Security



Social Security

SEARCH MENU LANGUAGES SIGN IN / UP



Set yourself free. Open a *my* Social Security account today and rest easy knowing that you're in control of your future.

[Sign In or Create an Account](#)



## HAVE AN ACTIVATION CODE?

[Finish Setting Up Your Account](#)

Received assistance from Social Security to create your account? Finish the process by entering your activation code now.



[socialsecurity.gov/myaccount](https://socialsecurity.gov/myaccount)



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# How to open a *my* Social Security account

- 1 Visit *socialsecurity.gov/myaccount*
- 2 Select: Sign In or Create an Account
- 3 Provide some personal information to verify your identity.
- 4 Choose a “username” and “password” to create your account.



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# Ask For A Speaker

<https://www.ssa.gov/agency/ask-for-a-speaker.html>



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Need more help?  
[OEA.Net.Post@ssa.gov](mailto:OEA.Net.Post@ssa.gov)



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## Q&A session

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