



Social Security

Get what's yours

Presenter's name

Presenter's title goes here



Agenda

- **When and how much**
- **Work and taxation**
- **Spousal benefits**
- **Other things to consider**



The history of Social Security

1935



Social Security Act signed into law; Full Retirement Age (FRA) = 65

1940



Regular ongoing monthly payments begin

1965



Medicare signed into law to strengthen the social safety net

2009



FRA increased to 66

2021



FRA gradually increased to 67



Social Security eligibility



At least age 62 to collect benefit



Accrued 40 credits of coverage via payroll FICA* taxes



May be eligible based on spouse's (or ex-spouse's) work history



Benefit based on highest 35 years of indexed earnings

*FICA is a U.S. federal payroll tax. It stands for the Federal Insurance Contributions Act and is deducted from each paycheck. As you work and pay FICA taxes, you earn credits for Social Security benefits.

Know the benefit



Prevent identity theft—protect your Social Security number
Your Social Security Statement
Prepared especially for Wanda Worker
www.socialsecurity.gov

August 16, 2010
See inside for your personal information

WANDA WORKER
455 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

What's inside...
[Your Estimated Benefits](#)
[Your Earnings Record](#)
[Some Facts About Social Security](#)
[If You Need More Information](#)
[To Request This Statement In Spanish](#)
(Para Solicitar Una Declaración en Español)

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. No however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound today's younger workers are ready for retirement. In 2015 we will begin paying more in benefits than we collect in taxes. Without changes, in the Social Security Trust Fund will be able to pay only about 78 cents for each dollar of scheduled benefits.* We need to resolve these issues so make sure Social Security continues to provide foundation of protection for future generations.

Social Security on the Net...
Visit www.socialsecurity.gov on the Internet 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.



My Home Message Center Security Settings

Overview

Welcome [redacted] You last signed in on June 03, 2018 at 3:34PM EDT.

Social Security Statement

A Message from Social Security:
▼ Your Social Security Statement...

Estimated Benefit at Full Retirement age (67):	\$2,284 a month	View Estimated Benefits
Last Reported Earnings:	\$65,334 in 2017	View Earnings Record

[Print / Save Your Full Statement](#)
Get a copy of your Statement information in a convenient, print-friendly format.

[Disclaimer](#)

[Download Your Statement Data](#) [How to use this file](#)
Save your Statement information as an XML file.

Benefits & Payments

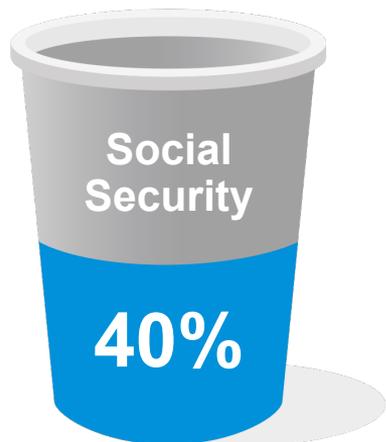
You are not currently receiving Social Security benefits.

[Get a Benefit Verification Letter](#)
Need proof that you do not receive Social Security benefits? Here's your official letter.

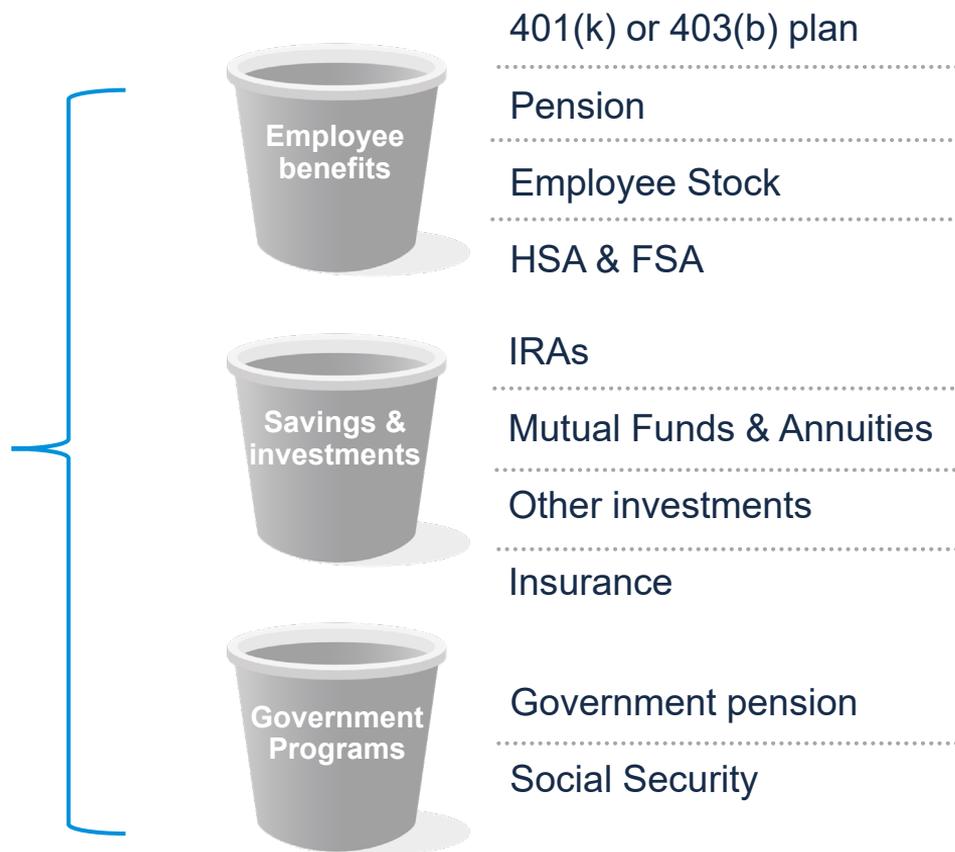
Overview

- [Estimated Benefits](#)
- [Earnings Record](#)
- [Replacement Documents](#)

Retirement Income



Percentage of income replaced by Social Security for average earners





Social Security Full Retirement Age

Birth year	Full Retirement Age
1943 – 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 and later	67

Full Retirement Age

determines when someone can begin collecting **full** Social Security benefit payments.



Can claim as early as age 62

Birth year	Full Retirement Age	Benefit reduction
1943 – 1954	66	25.00%
1955	66 + 2 months	25.83%
1956	66 + 4 months	26.67%
1957	66 + 6 months	27.50%
1958	66 + 8 months	28.33%
1959	66 + 10 months	29.17%
1960 and later	67	30.00%

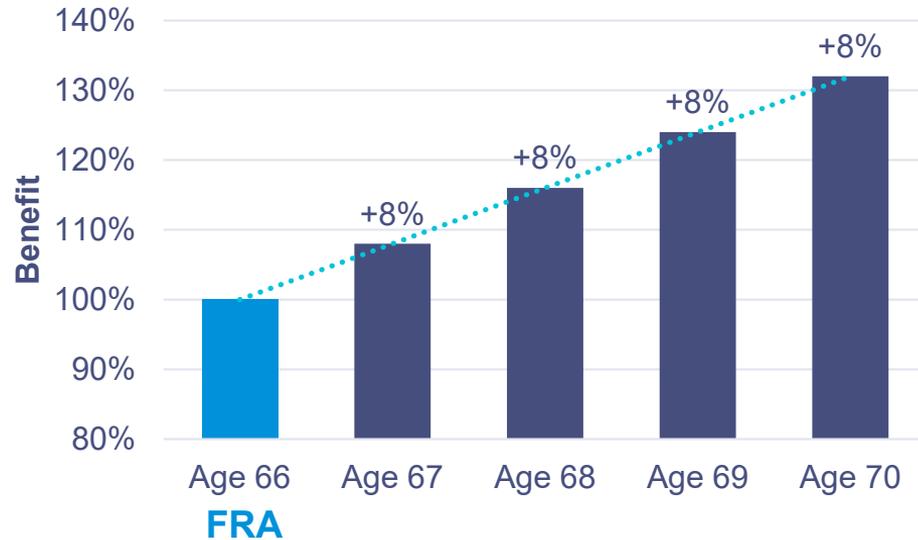
Impact

- Smallest monthly check
- Potential reduction penalty for employment
- May face benefit taxation sooner

Claiming at age 70

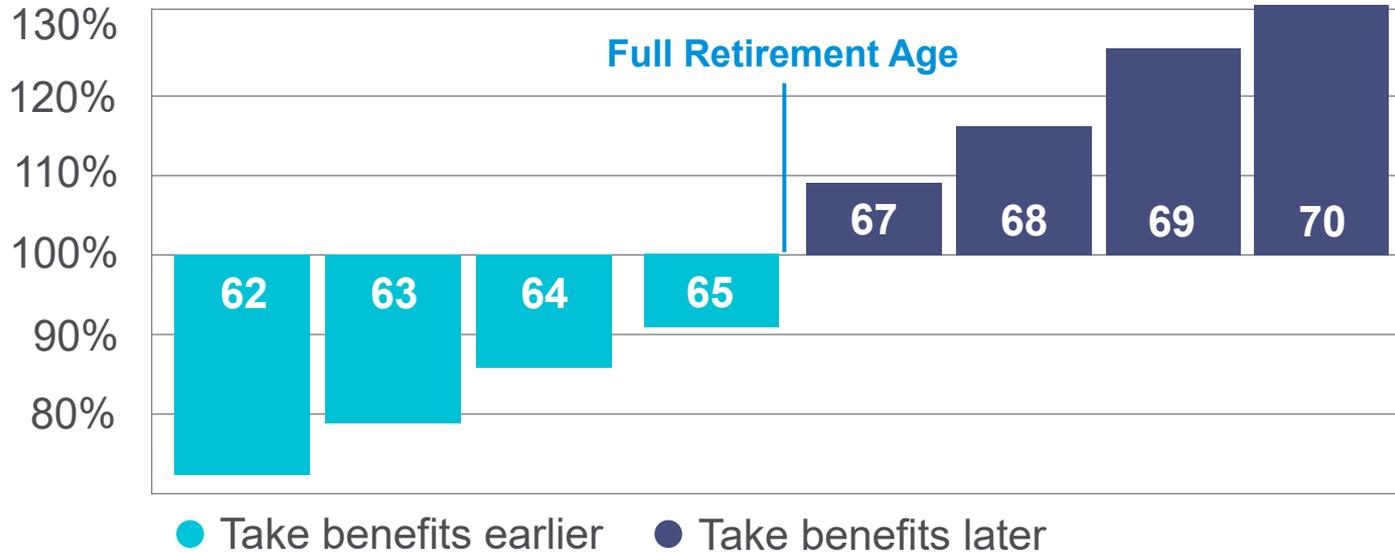
Impact

- Highest monthly check
- No penalty for employment
- 8% increase per year after Full Retirement Age



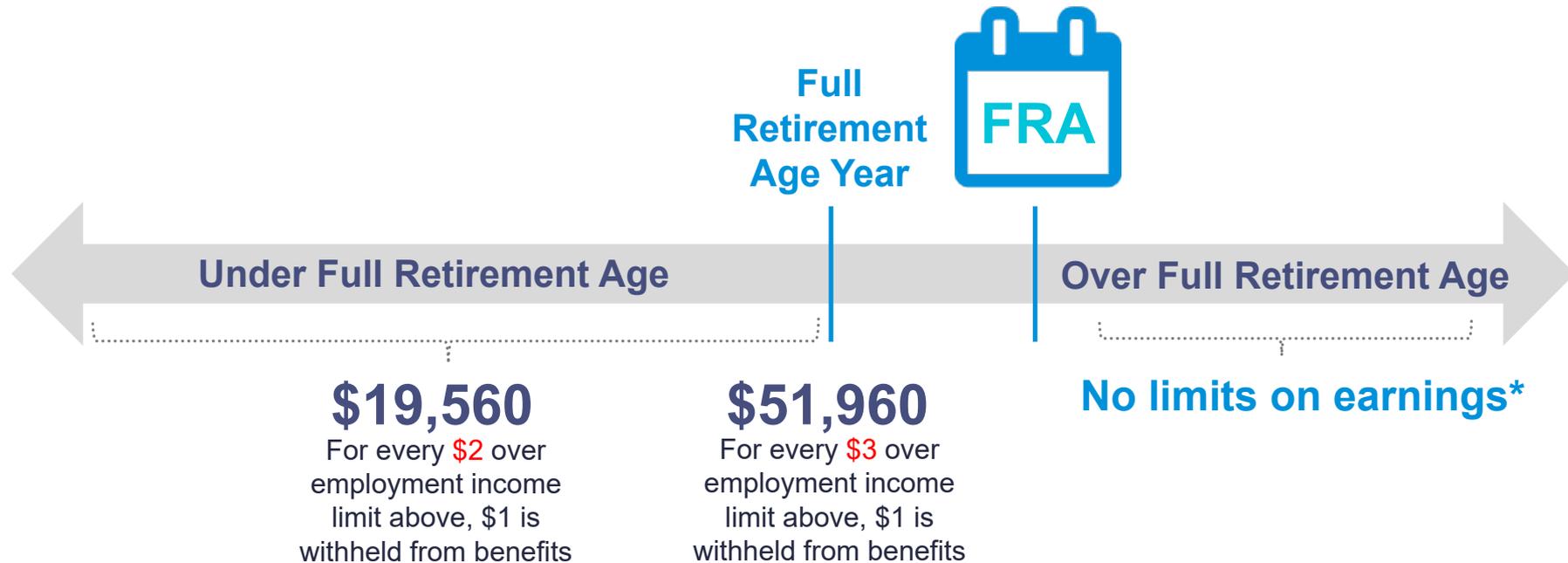


When should I take my benefit?





Working while collecting



11 *If benefits are withheld, the benefit at Full Retirement Age is adjusted to compensate for the reduction.



Taxes and Social Security

Filing single

Provisional income	Benefits subject to tax
Under \$25,000	0%
\$25,000 - \$34,000	Up to 50%
Over \$34,000	Up to 85%

Married filing jointly

Provisional income	Benefits subject to tax
Under \$32,000	0%
\$32,000 - \$44,000	Up to 50%
Over \$44,000	Up to 85%

Provisional income

Adjusted Gross Income (AGI) + tax-exempt income + $\frac{1}{2}$ Social Security benefit

Note: State and local taxes may differ.
Source: Social Security Administration.



Other benefit options

Spousal benefit

- Spouse may collect a higher spousal benefit (up to 50% of their spouse's FRA benefit)
- To receive a spousal benefit other spouse must be collecting a benefit

Divorced spousal benefit

- Married for at least **10 years** and **not** currently remarried
- 62 or older to collect and be divorced for at least 2 years if ex has not yet filed for their benefit

Survivor & divorced survivor

- A widowed spouse or divorced widow(er) may collect survivor benefit (up to 100% of deceased spouse's or ex-spouse's benefit)
- 60 or older to collect



Social Security case study

Full Retirement Age: 66

Example: Sam and Ann	Age 62 benefit amount	Age 66 (FRA) benefit amount	Age 70 benefit amount
Sam 	\$750	\$1,000	\$1,320
Ann 	\$1,800	\$2,400	\$3,168
Spousal benefit*	\$840	\$1,200	\$1,200



Social Security strategies

Social Security strategy ¹	Definition	Benefit
Restricted Application Only available to those born before 1/2/1954	At FRA, may claim spousal benefit only, delay taking their own benefit. ²	Earn delayed credits and then claim higher personal benefit at a later age. May also help spouse receive greater survivor benefit.
Do-Over	May revoke earlier claiming decision if made within 12 months of filing.	Provides flexibility to cease receiving benefit if life situation changes.
Suspending benefit	May suspend own benefit at Full Retirement Age. Also impacts spousal and/or family benefits.	Receive 8% delayed credit per year.

¹Changes have occurred due to the Bipartisan Budget Act of 2015.

²This option is being eliminated for those who were under the age of 62 as of January 2, 2016.



Future of Social Security?



2034: Year in which Board of Trustees projects Social Security to be depleted—with only 76% of an individual's benefit payable*.



Change in Cost of Living Adjustment (COLA)



Reduction in Social Security benefit



Increase in FICA taxes



Increase in Full Retirement Age



Things to consider



Work with a financial professional



Evaluate retirement income needs



Create Social Security online account



Determine filing timeline



Apply for benefits

Thank you

The content of this presentation is based upon reliable source material and is believed to be correct as of the time of creation; however, it is subject to change at any time without warning. Investors should consider consulting with their tax professionals prior to making decisions due to their unique circumstances.

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