

2021 RETIREMENT BENEFITS

Social Security quick guide

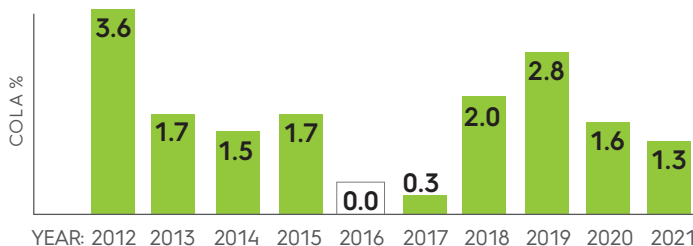
Full Retirement Age (FRA)

| Birth year | FRA |
|-----------------|--|
| 1937 or earlier | 65 |
| 1938-1942 | 65 + 2 months for each year after 1937 |
| 1943-1954 | 66 |
| 1955-1959 | 66 + 2 months for each year after 1954 |
| 1960 and later | 67 |

Delayed Retirement Credits (DRCs)

| Birth year | |
|----------------|------|
| 1939-1940 | 7.0% |
| 1941-1942 | 7.5% |
| 1943 and later | 8.0% |

LAST 10 COST-OF-LIVING ADJUSTMENTS (COLAS)



YEAR: 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
 Social Security Administration, www.ssa.gov, 2020.

Primary Insurance Amount (PIA) computation

| AIME | PIA (as % of AIME) |
|---------------|--|
| \$0-\$996 | 90% |
| \$996-\$6,002 | \$896 + 32% of earnings over \$996 |
| \$6,002 | \$2,498 + 15% of earnings over \$6,002 |

Individual – Early collection – % of PIA collectible

| FRA | Age collection begins | | | | | |
|-----|-----------------------|-------|-------|--------|--------|--------|
| | 62 | 63 | 64 | 65 | 66 | 67 |
| 65 | 80.0% | 86.7% | 93.3% | 100.0% | – | – |
| 66 | 75.0% | 80.0% | 86.7% | 93.3% | 100.0% | – |
| 67 | 70.0% | 75.0% | 80.0% | 86.7% | 93.3% | 100.0% |

Spousal – Early collection – % of PIA collectible

| FRA | Age collection begins | | | | | |
|-----|-----------------------|--------|--------|--------|--------|-------|
| | 62 | 63 | 64 | 65 | 66 | 67 |
| 65 | 37.5% | 41.66% | 45.83% | 50.0% | – | – |
| 66 | 35.0% | 37.5% | 41.66% | 45.83% | 50.0% | – |
| 67 | 32.5% | 35.0% | 37.5% | 41.66% | 45.83% | 50.0% |

Work credits

\$1,470 earns one credit. Maximum of four credits earned per year.

Terms to know

FRA (Full Retirement Age) – Age at which a person is eligible to receive full Social Security Retirement benefits. Between 65 and 67 depending on birth year.

PIA (Primary Insurance Amount) – The full monthly Social Security benefit an individual is entitled to receive at FRA.

DRC (Delayed Retirement Credit) – If collecting Social Security Retirement benefits is delayed beyond FRA, benefits are increased annually until age 70 by 7-8%, depending on FRA.

AIME (Average Indexed Monthly Earnings) – Dollar amount used to calculate your PIA. Uses an index to approximate an individual's lifetime earnings at today's wage levels.

COLA (Cost-of-Living Adjustment) – Annual adjustments to PIA to reflect any increase in the Consumer Price Index, or cost of living.

Spousal and survivor benefit eligibility

| Spousal | Benefits amount |
|---|--|
| Current spouse – Spouse must be at least 62, or any age if caring for your child under age 16 or who was disabled prior to age 22 | 50% of your PIA, reduced if taken before FRA, reduced by any benefits he or she is entitled to based on own work history |
| Ex-spouse – Marriage must have lasted 10 years, spouse must be at least age 62 and not remarried, and not entitled to a higher benefit | |
| Survivor | Benefits amount |
| Current spouse – Spouse must be at least age 60 or any age if caring for your child under age 16 or who was disabled prior to age 22 | 100% of your benefits but not less than 82.5% of your PIA ¹ |
| Ex-spouse – Marriage must have lasted 10 years, spouse must be at least age 62 and not remarried, and not entitled to a higher benefit | |

1. Assumes surviving spouse has reached FRA.

Tax information

Social Security taxes

| | |
|--------------------------|--|
| Employee/employer (each) | 6.2% on earnings up to \$142,800 |
| Self-employed | 12.4% ² on earnings up to \$142,800 |

Medicare taxes

| | |
|--------------------------|------------------------------------|
| Employee/employer (each) | 1.45% on all earnings |
| Self-employed | 2.90% ² on all earnings |

2. Can be offset by income tax provisions.

Base-Modified Adjusted Gross Income causing Social Security to be taxable

| | 50% | 85% |
|------------------------|----------|----------|
| Married Filing Jointly | \$32,000 | \$44,000 |
| Single | \$25,000 | \$34,000 |

Social Security Administration, www.ssa.gov, 2020.

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Information for people who are receiving Social Security benefits

Maximum Social Security benefit for a worker retiring at FRA

| | |
|----------------------|----------------------|
| 2020 = \$3,011/month | 2021 = \$3,148/month |
|----------------------|----------------------|

Earnings limits

| | |
|---------------------|---|
| At FRA or older | No limit |
| Until FRA | \$18,960 – for every \$2 over the limit, \$1 is withheld from benefits |
| Year FRA is reached | \$50,520 – for every \$3 over the limit, \$1 is withheld from benefits until the month FRA is reached |

Disability beneficiaries' earnings limits

| | |
|--|---------------|
| Substantial Gainful Activity (non-blind) | \$1,310/month |
| Substantial Gainful Activity (blind) | \$2,190/month |
| Trial work period month | \$940/month |

Claiming strategies

| Claimant's date of birth | Restricted Application | File and Suspend |
|---|------------------------|--|
| Born before May 1, 1950 | Available at FRA | Available at FRA provided suspension requested before April 30, 2016 |
| Born after April 30, 1950, but before January 2, 1954 | Available at FRA | No longer available |
| Born after January 1, 1954 | No longer available | No longer available |

(or refrain from) a particular course of action. If you are seeking investment advice or recommendations, please contact your financial professional.

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