SOCIAL SECURITY:
GOVERNMENT EMPLOYEES

HOSTED BY TOM DICKSON

FINANCIAL EXPERTS NETWORK

TOM@FINANCIALEXPERTSNETWORK.COM

Thanks for being a Member!

Today's Session is **worth 1 CE Credit for Members**

Upcoming Webinars

- Elder Scams during COVID-19 on Aug. 5
- **Ethics CE on Aug. 12**

Student Loan Options under The CARES Act and BEYOND

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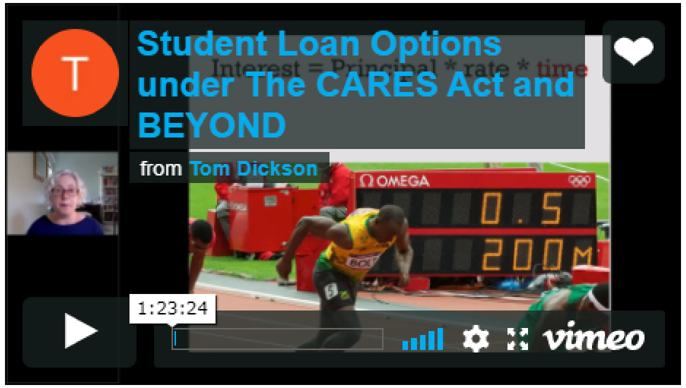
Presented by Heather Jarvis, Esq., Student Loan Consultant
Wednesday, May 27, 2020 at 4:00 PM ET
As evidenced by the **94% excellent rating**, student loan expert Heather Jarvis was exceptional on this session. Heather provided an easy-to-follow explanation of the changes to most federal student loans brought about by the CARES Act, to include interest waivers for specific federal student loans.



The topics Heather covered include:

- Which student loans qualify for interest and payment suspension and which loans do not
- What the CARES Act means for borrowers using income-driven repayment plans or pursuing Public Service Loan Forgiveness
- Which borrowers may benefit from continuing to make payments
- How to determine whether payments will reduce the principal balance
- Whether this is a good time to consolidate or refinance

Helpful Resources and Documents

Presenter Slides for CARES Act and Student Loans from Financial Experts Network 5.27.20
Transcript: Student Loan Options with Heather Jarvis from Financial Experts Network

Replay & Edited Transcript (14 Pages)

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Upcoming Webinars

Expert Panel with The Latest Guidelines Paycheck Protection Loans
Presented by Steve Bulger
Tuesday, June 23, 2020

Register »

Life Insurance Case Studies and Member Updates
Monday, June 22, 2020

Register »

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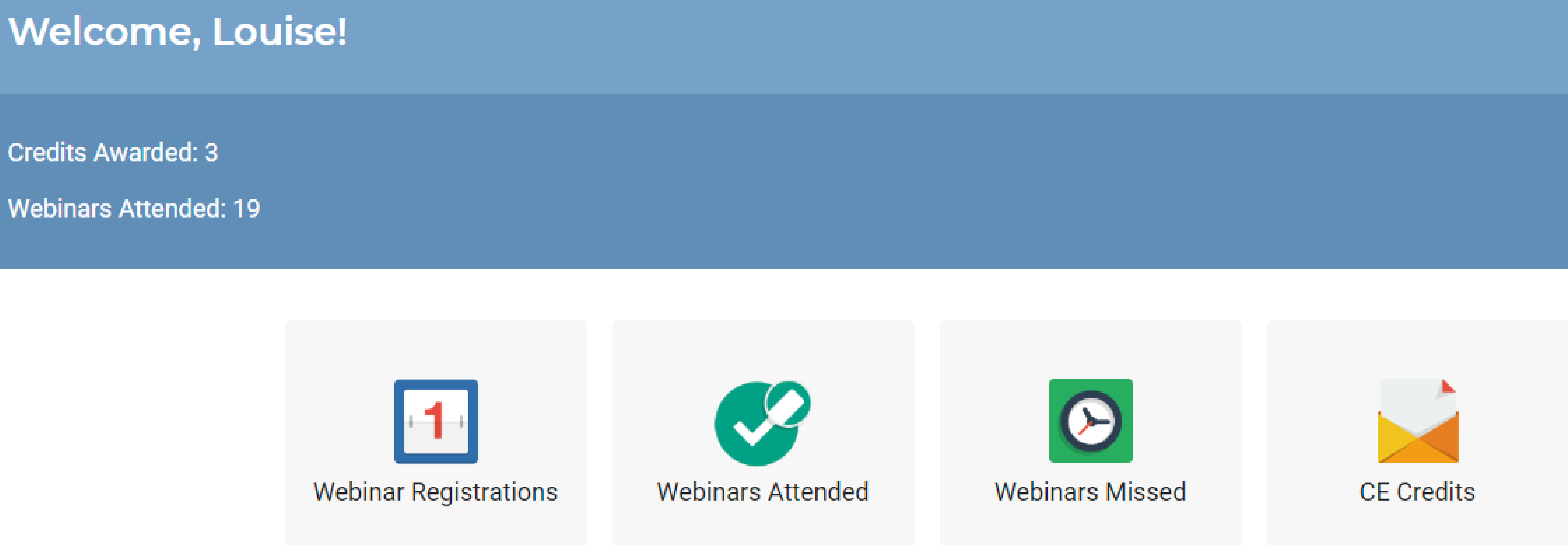
(2) Password may be your “firstnamelastname”
Note: If you signed up on March 1 or later.

(3) You can use “Reset Your Password” Tab to reset your password.



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Webinar Replays

Webinars You Missed

Note: Replays are also available under “Webinars Attended”

Webinar Title	Date	
Life Insurance Planning after the SECURE Act Presented by Scott Bishop, CPA/PFS, CFP®, STA Wealth Management	June 11, 2020	View replay
Selling & Buying Homes Now + Mortgages under the CARES Act Presented by Mabél Guzmán, VP of Association Affairs	June 4, 2020	View replay
Tips on Accessing Your Financial Experts Account + Webinar Schedule + Other Updates Presented by Tom Dickson	May 29, 2020	View replay
Insights, Opportunities and Trends in 529 Plans Presented by Christopher Stack, Esq., Managing Consultant	May 28, 2020	View replay

Webinar Replays:

Transcripts under Helpful Resources

Expert Panel on 401(k), IRA and SBA Loans under the CARES Act

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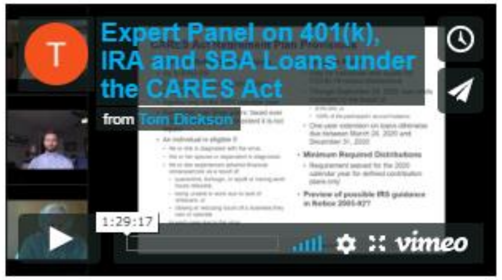
Presented by Scott Graham, Esq. Scott Bishop, CFP®, CPA
Friday, April 24, 2020 at 12:00 PM ET
Listen to our panel of experts to learn what's possible with 401(k)s, IRAs and SBA loans under the CARES Act. Our experts who presented included an employee benefits lawyer, an Ed Slott Master Elite IRA Advisor a banking lawyer and a tax attorney.

The topics covered included:

- Retirement Plan and IRA Penalty-Free Distributions – with Repayment Plans over Several Years
- Retirement Plan Loan Expansion & Relief
- Delayed IRA and Plan Contribution Dates



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Disclaimer:

Helpful Resources and Documents

Retirement Accounts under The CARES Act

Transcript CARES Act and Retirement Accounts on 4.23.30 with Scott Bishop.docx

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Social Security Q&A Guide

Meet the Expert

Kurt Czarnowski
Former SSA Comm. Director

Czarnowski Consulting: Expert Answers to Your Social Security Questions

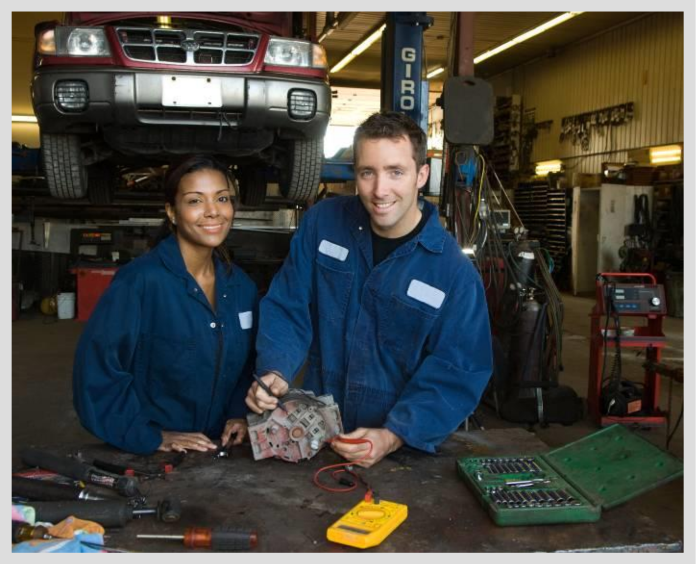
www.CzarnowskiConsulting.com

How Do You Qualify for Retirement Benefits?

- You need to work to earn Social Security “credits”

- In 2020, you get one credit for each $1,410 in earnings

- You can earn a maximum of 4 credits per year



<u>Example</u>: To earn 4 credits in 2020, you must earn at least $5,640. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit.

Full Retirement Age

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943 – 1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or later	67

Your Age At The Time You Elect Retirement Benefits Affects the Amount

If You're a Worker and Retire:

- At your FRA, you get your full benefit amount.

- Before your Full Retirement Age (FRA), you get a reduced monthly payment. 62 is the earliest age at which you can begin to collect benefits.

- Past your FRA, you get an even higher monthly payment. However, you can only earn these Delayed Retirement Credits (DRCs) until age 70.

Your Age At The Time You Elect Retirement Benefits Affects the Amount

For example, if you were born from 1943 through 1954:

- **Age 62 75% of benefit**
- **Age 66 100% of benefit**
- **Age 70 132% of benefit**

Your Age At The Time You Elect Retirement Benefits Affects the Amount

But if you were born from 1960 on:

- **Age 62 70% of benefit**
- **Age 67 100% of benefit**
- **Age 70 124% of benefit**

How Social Security Determines Your Benefit

Social Security benefits are based on earnings

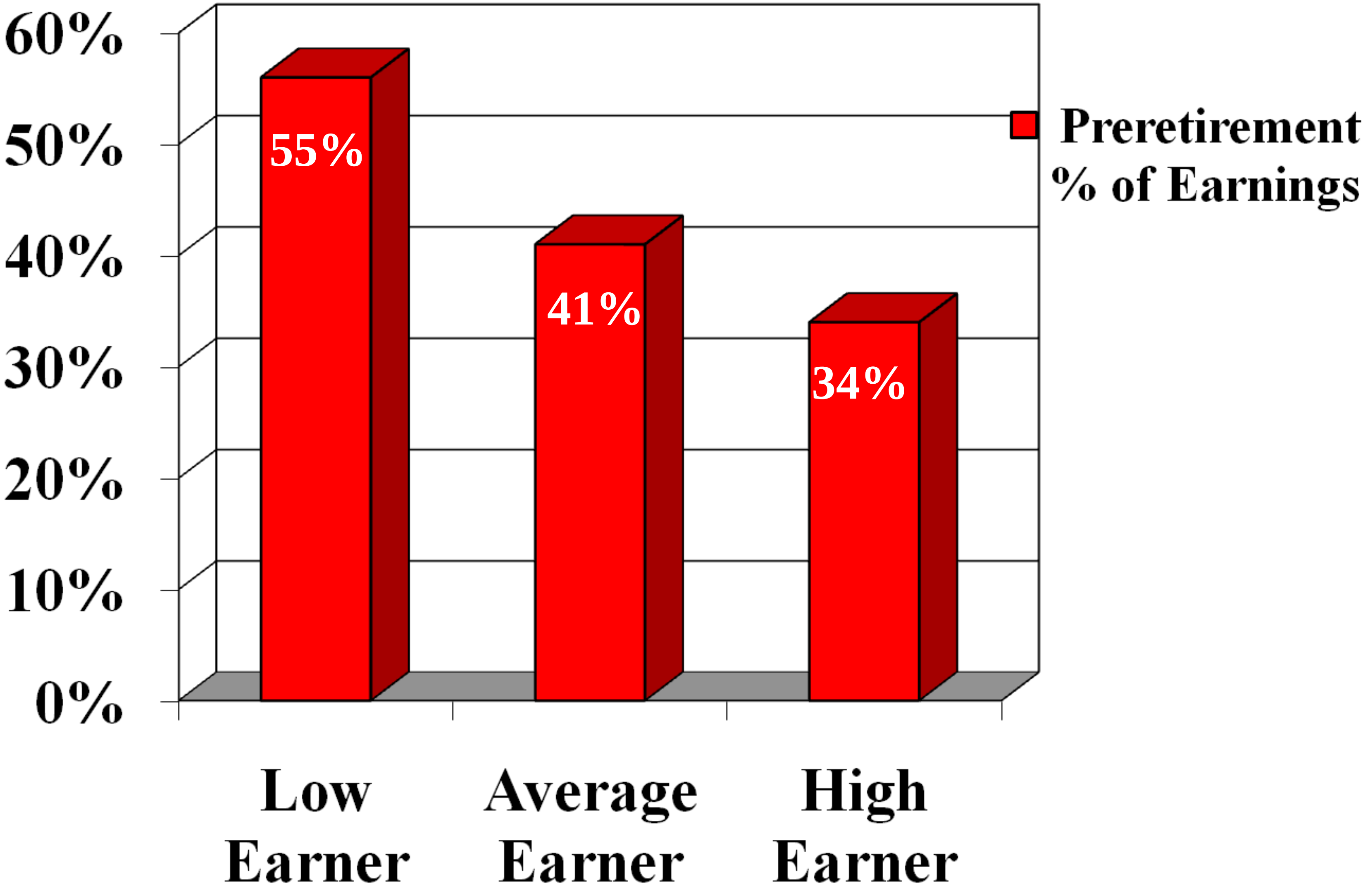
- **<u>Step 1</u> -Your wages are adjusted for changes in wage levels over time**
- **<u>Step 2</u> -Find the monthly average of your 35 highest earnings years**
- **<u>Step 3</u> -Result is "average indexed monthly earnings"**

2020 Retirement Benefit Computation Example

If your average monthly earnings are	=	$6,000
Then your monthly benefit would be	=	$2,440

Average Monthly Earnings	$6,000		
90% of First	$960	=	$864
32% of Earnings over $926 through $5,785 ($5,785 - $960= $4,825)	$4,825	=	$1,544
15% of Earnings over $5,785	$215	=	$32
	$6,000		**$2,440**

What You Can Expect at Full Retirement Age



You Can Work & Still Receive Benefits

If You Are	In 2020 You Can Make Up To	If You Make More, Some Benefits Will Be Withheld
Under Full Retirement Age	$18,240/yr. ($1,520/mo.)	$1 for every $2
The Year Full Retirement Age is Reached	$48,600/yr. ($4,050/mo.)	$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.

Spouse’s Benefit Computation

- Benefit is 50% of worker’s FRA amount. DRCs have no impact.
- Does not lower payment to worker.
- Benefit amount is reduced if spouse is under FRA.
- If spouse’s own benefit is less than 50% of the worker’s, the benefits are combined.

Widow or Widower Benefit Computation

- At full retirement age, 100% of deceased worker’s benefit
- At age 60, 71.5% of deceased worker’s benefit
- Can collect Reduced benefits on one record at age 60, and then reduced or unreduced benefits on other record at age 62 or older

Your Benefits Can Be Taxable

- Applies to those with a Modified Adjusted Gross Income (MAGI) above $25,000 (individual) or $32,000 (couple filing jointly).
- Up to 85% of benefits received could be treated as ordinary income for federal tax purposes.
- At the end of each year, people receive a *Social Security Benefit Statement* (Form SSA-1099).
- About half of people who get Social Security pay income taxes on their benefits.

How Do I Apply for Retirement Benefits?

- Apply online at www.socialsecurity.gov
  It is the most convenient way to apply;
- Call Social Security to schedule an appointment
  1-800-772-1213 (TTY 1-800-325-0778); or
- Apply at your local Social Security office.

Windfall Elimination Provision

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

Windfall Elimination Provision (WEP) - 2020

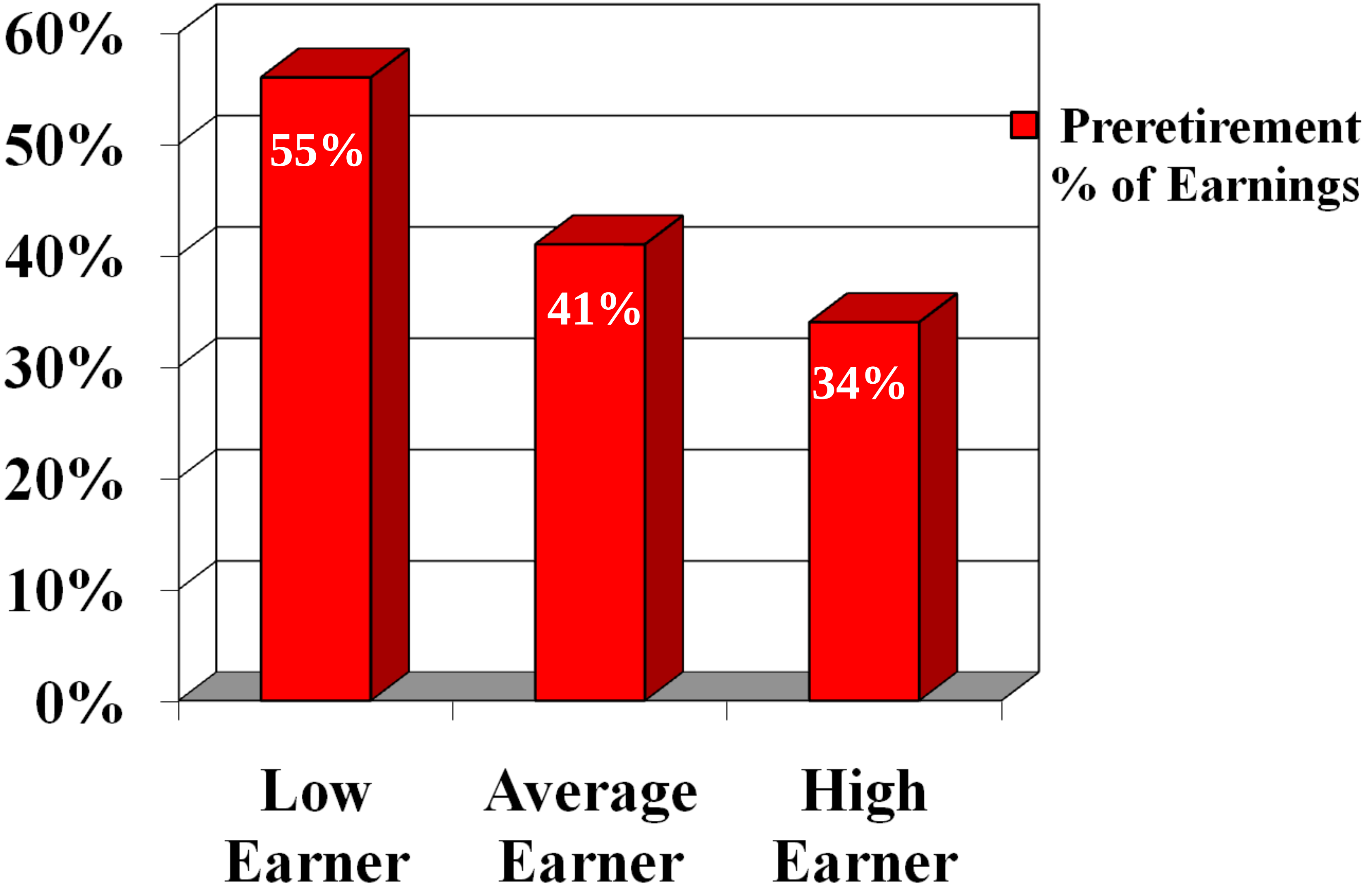
Normal Computation	WEP Computation
90% of the First $960	40% of the First $960
32% of the Next $4,825	32% of the Next $4,825
15% of the Remainder	15% of the Remainder

2020 WEP Retirement Benefit Computation Example

If your average monthly earnings are	=	$6,000
Then your monthly benefit would be	=	$2,440

Average Monthly Earnings	**$6,000**		
40% of First	$960	=	$384
32% of Earnings over $960 through $5,785 ($5,785 - $960= $4,825)	$4,825	=	$1,544
15% of Earnings over $5,785	$215	=	$32
	$6,000		**$1,960**

What You Can Expect at Full Retirement Age



Exception to the Windfall Elimination Provision

Years of Social Security Coverage	% 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

- SSA's Online WEP calculator allows you to estimate your Social Security benefit.

Government Pension Offset (GPO)

If you receive a government pension based on work not covered by Social Security, your Social Security spouse's or widow(er)'s benefits may be reduced.

Government Pension Offset (GPO)

Applies to Spouse's Benefits Only

2/3 of amount of government pension will be used to reduce the Social Security spouse's benefits

Example:
$900 government pension; 2/3 = $600
Social Security spouse's benefits = $500
No benefit payable by Social Security

- SSA's Online GPO calculator allows you to estimate your Social Security benefit.

A Foundation for Planning Your Future

QUESTIONS?