

# Social Security

## Preparing for Retirement



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# Your Social Security Statement

WANDA WORKER

February 2, 2023

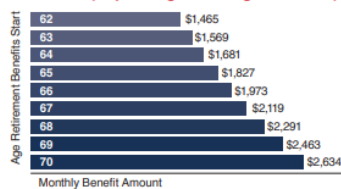
### Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn "credits" through your work — up to four each year.

Your full retirement age is **67**, based on your date of birth: April 5, 1962. As shown in the chart, you can start your benefits at any time between ages **62** and **70**. **For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn \$54,489 per year until you start your benefits. Learn more at [ssa.gov/benefits/retirement/learn.html](https://ssa.gov/benefits/retirement/learn.html).

### Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



### Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now and you have enough recent work, your monthly payment would be about **\$2,083**. Learn more at [ssa.gov/disability](https://ssa.gov/disability).

### Survivors Benefits

You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

- Minor child: **\$1,562**
- Spouse, if caring for a disabled child or child younger than age 16: **\$1,562**
- Spouse, if benefits start at full retirement age: **\$2,083**
- Total family benefits cannot be more than: **\$3,802**

Your spouse or minor child may be eligible for an additional one-time death benefit of **\$255**. Learn more at [ssa.gov/survivors](https://ssa.gov/survivors).

We base benefit estimates on current law, which Congress has revised before and may revise again to address needed changes. Learn more about Social Security's future at [ssa.gov/ThereForMe](https://ssa.gov/ThereForMe).

### Medicare

You have enough credits to qualify for Medicare at age 65. Medicare is the federal health insurance program for people:

- age 65 and older,
- under 65 with certain disabilities, and
- of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit [medicare.gov](https://medicare.gov) or [ssa.gov/medicare](https://ssa.gov/medicare) or call **1-800-MEDICARE (1-800-633-4227)** (TTY 1-877-486-2048).

### Earnings Record

Review your earnings history below to ensure it is accurate because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings below, but you can view your complete earnings record online with [my Social Security](https://my.SocialSecurity.gov). If you find an error, view your full earnings record online and call 1-800-772-1213.

Work Year	Earnings Taxed for Social Security	Earnings Taxed for Medicare (began 1966)
1971-1980	\$ 2,142	\$ 2,142
1981-1990	87,102	87,102
1991-2000	246,069	246,069
2001	34,147	34,147
2002	34,846	34,846
2003	36,021	36,021
2004	38,032	38,032
2005	39,711	39,711
2006	41,829	41,829
2007	43,971	43,971
2008	45,170	45,170
2009	44,603	44,603
2010	45,666	45,847
2011	47,093	47,093
2012	48,560	48,560
2013	49,095	49,095
2014	50,605	50,605
2015	51,996	51,996
2016	52,108	52,108
2017	53,251	53,251
2018	53,966	53,966
2019	54,559	54,559
2020	54,489	54,489
2021	Not yet recorded	

### Taxes Paid

Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record:

Social Security taxes	Medicare taxes
You paid: \$75,568	You paid: \$18,158
Employer(s): \$77,498	Employer(s): \$18,158

### Earnings Not Covered by Social Security

You may also have earnings from work not covered by Social Security, where you did not pay Social Security taxes. This work may have been for federal, state, or local government or in a foreign country. If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. Learn more at [ssa.gov/gpo-wep](https://ssa.gov/gpo-wep).

### Important Things to Know about Your Social Security Benefits

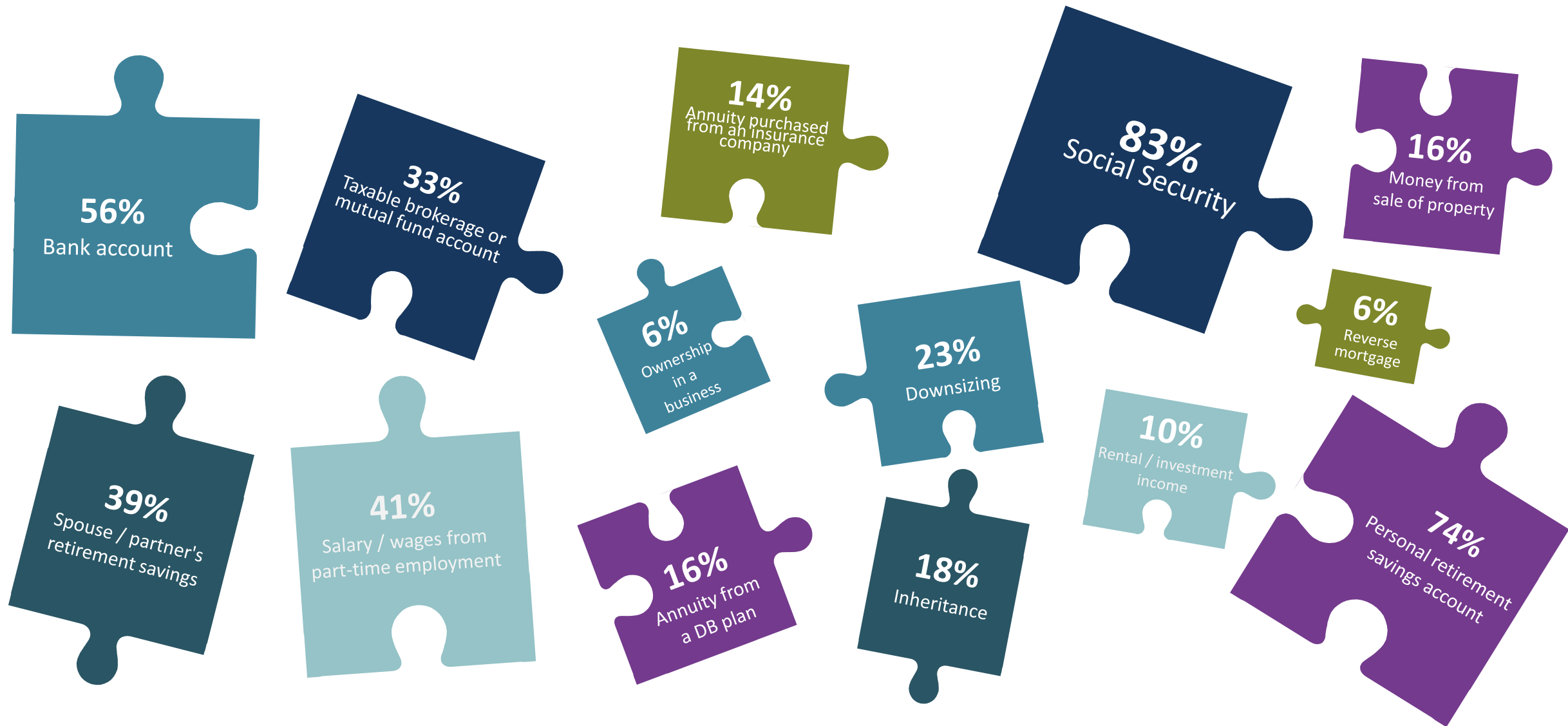
- Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
- You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 35 years of earnings. If you have fewer than 35 years of earnings, years without work count as 0 and may reduce your benefit amount.
- To keep up with inflation, benefits are adjusted through "cost of living adjustments."
- If you get retirement or disability benefits, your spouse and children may qualify for benefits.
- When you apply for either retirement or spousal benefits, you may be required to apply for both benefits at the same time.
- If you and your spouse both work, use the [my Social Security](https://my.SocialSecurity.gov) Retirement Calculator to estimate spousal benefits.
- The age you claim benefits will affect the benefit amount for your surviving spouse. For example, claiming benefits after your full retirement age may increase the Spouse, if benefits start at full retirement age amount on page 1; claiming early may reduce it.
- If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse's record. If your ex-spouse receives benefits on your record, that does not affect your or your current spouse's benefit amounts.
- Learn more about benefits for you and your family at [ssa.gov/benefits/retirement/planner/applying7.html](https://ssa.gov/benefits/retirement/planner/applying7.html).
- When you are ready to apply, visit [ssa.gov/benefits/retirement/apply.html](https://ssa.gov/benefits/retirement/apply.html).
- The Statement is updated annually. It is available online, or by mail upon request.

“Social Security benefits are not intended to be your only source of income when you retire.”

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Form SSA-7005-SM-OL (02/23) | Enclosures: Publication XX-XXXXX, Publication XX-XXXXX

# What's Your Retirement Income Picture?



Source: MFS 2023 Global Retirement Survey, US respondents. Q: Select all potential sources of retirement income in retirement. This question was only posed to respondents age 45+. Respondents could choose more than one response so responses will not total to 100%.

# Agenda



How retirement benefits  
are calculated



Options for married  
couples and divorcees



Taxes and your  
retirement plan

# How retirement benefits are calculated



# Full Retirement Age

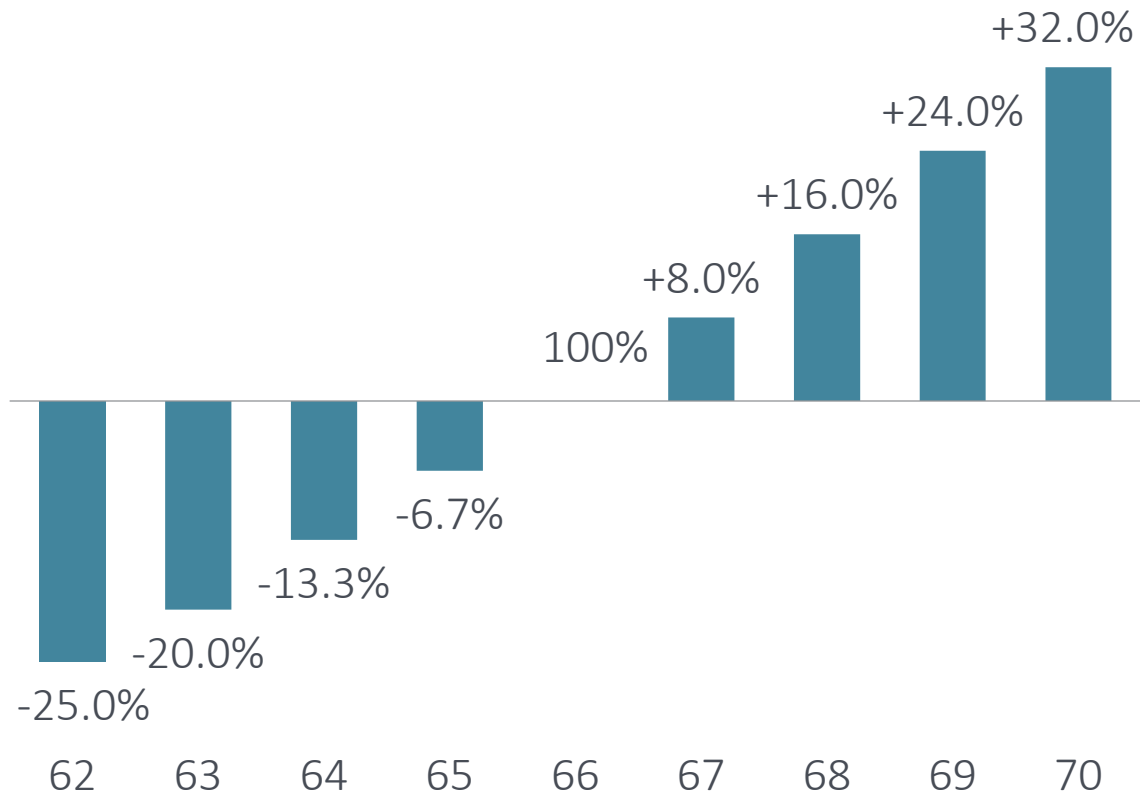
Social Security benefits are based on your Full Retirement Age.

Year of Birth	Full Retirement Age (FRA)
1943-1954	66 years
1955	66 years and two months
1956	66 years and four months
1957	66 years and six months
1958	66 years and eight months
1959	66 years and ten months
1960+	67 years

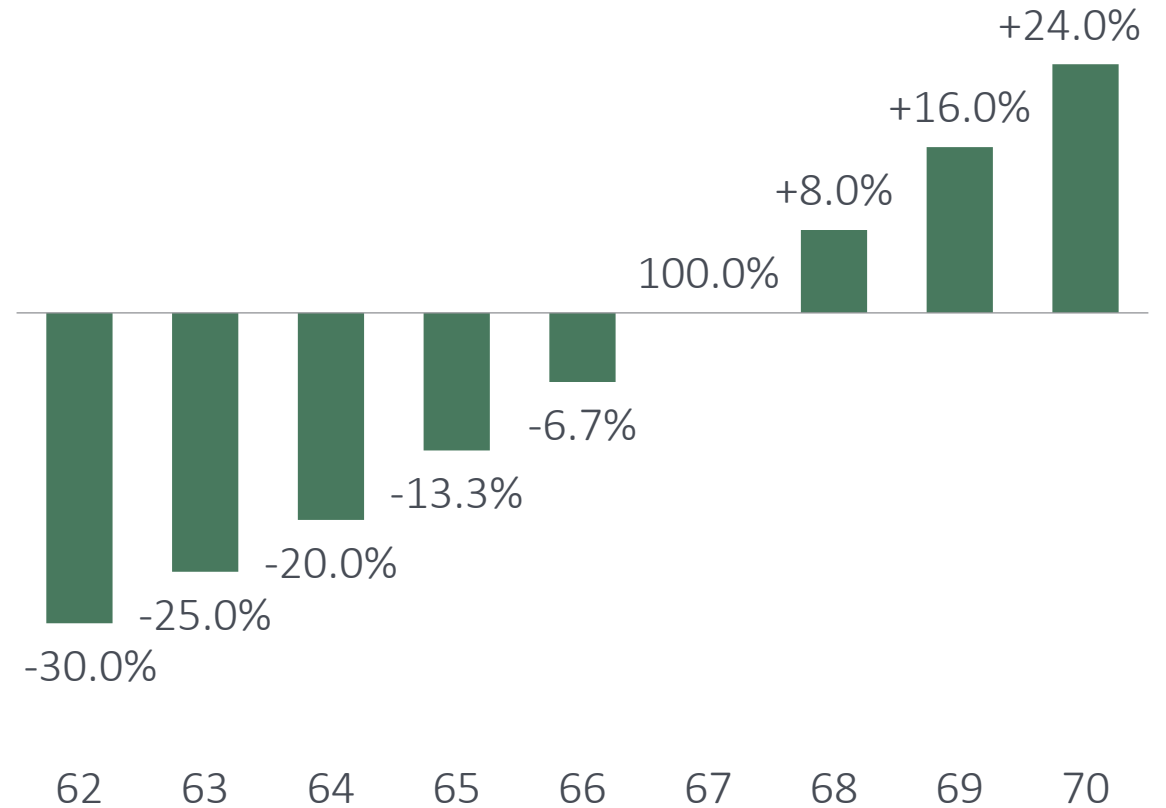
# Retirement Benefits

40 quarters to qualify for Social Security retirement benefits, averaged over 35 highest years of earnings

### Full Retirement Age 66



### Full Retirement Age 67



Source: Social Security Administration.



# Social Security Options While Working

Earnings limit affects all Social Security benefits (retirement, spousal, survivor, divorce)

	Through year before turning Full Retirement Age	In the year of turning Full Retirement Age	Month you turn Full Retirement Age and older
Earnings Limit (2024)	\$22,320 (\$1,860 per month)	\$59,520 (\$4,960 per month)	No restrictions
Amount of Withholding	\$1 of benefits withheld for every \$2 of earnings above limit	\$1 of benefits withheld for every \$3 of earnings above limit	No restrictions

- Earnings limit looks at wages only. Unearned income (pensions, IRAs, rental income, etc.) does not cause Social Security benefits to be withheld.
- Earnings limit only affects wages received after you start Social Security.
- If married, Social Security only considers the wages of the spouse receiving Social Security.

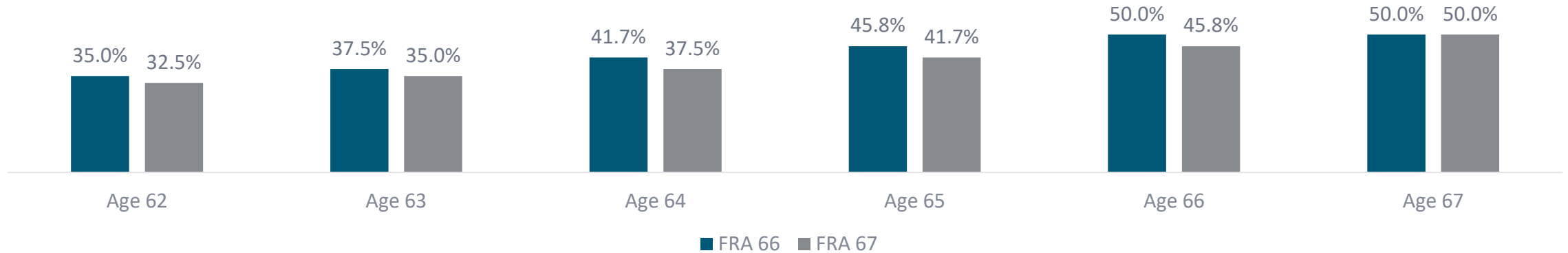
# Options for married couples and divorcees



# Spousal Benefits

Based on spouse's FRA benefit, earnings test applies to spousal benefits until Full Retirement Age

Age when you claim the spousal benefit



## Calculation

- Amount is based on your spouse's FRA benefit
- Percent is based on your age when you receive the spousal benefit

## Requirements

- Available even if you did not work
- Your spouse must be receiving his or her retirement benefit

## If both spouses worked

- Receive greater of your retirement or spousal benefit.
- Cannot start with spousal and switch to your own benefit\*

\*The option to start with the spousal benefit and then switch to your own retirement benefit was only available if you were born on or before 1/1/1954.  
Source: Social Security Administration.

# Calculating Spousal Benefits

Spousal benefits are based on higher earner's benefit at Full Retirement Age

## Diane and Jack

- Diane is the higher earner
- Jack's retirement benefit is less than spousal benefit
- Diane's annual Social Security retirement benefit at
  - Age 62: \$7,000
  - Age 67: \$10,000
  - Age 70: \$12,400

What is Jack's maximum and minimum spousal benefit?

# Calculating Spousal Benefit

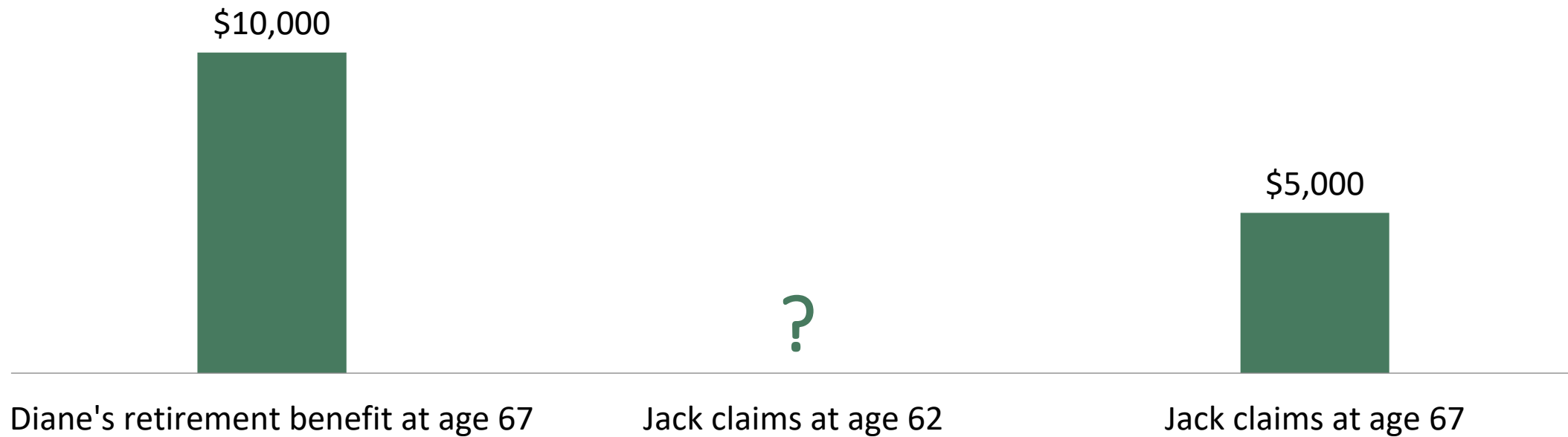
Diane claims retirement benefit at Full Retirement Age of 67



For Illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.

# Calculating Spousal Benefit

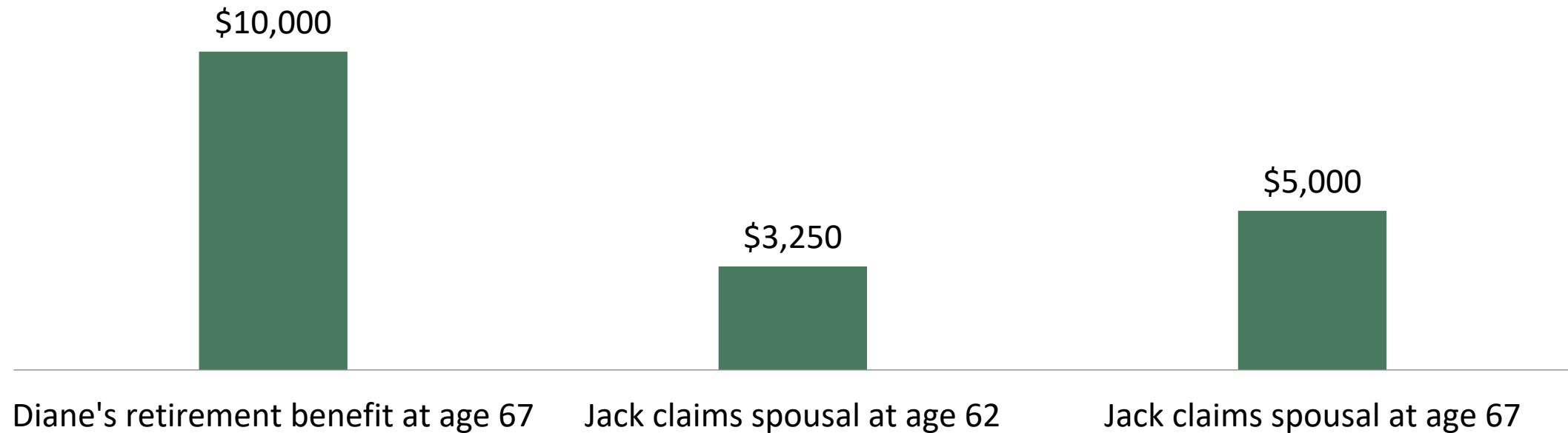
Maximum spousal benefit at Full Retirement Age



For illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.

# Calculating Spousal Benefit

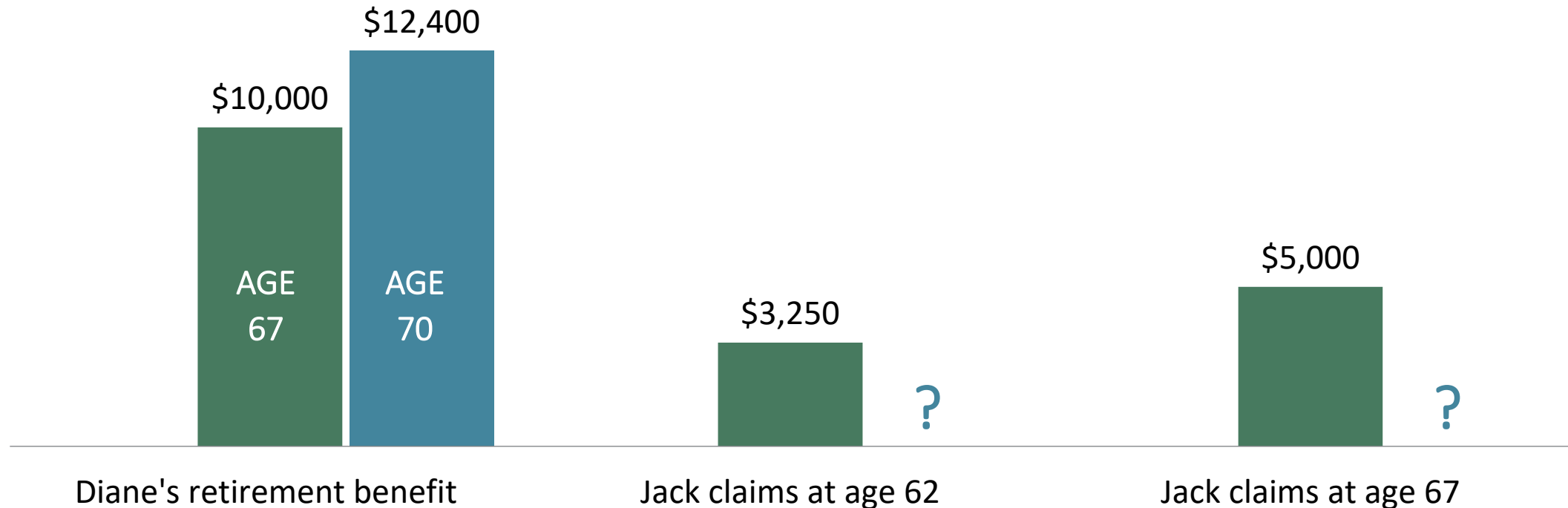
Minimum spousal benefit at age 62



For illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.

# Calculating Spousal Benefit

If Diane claims at age 70

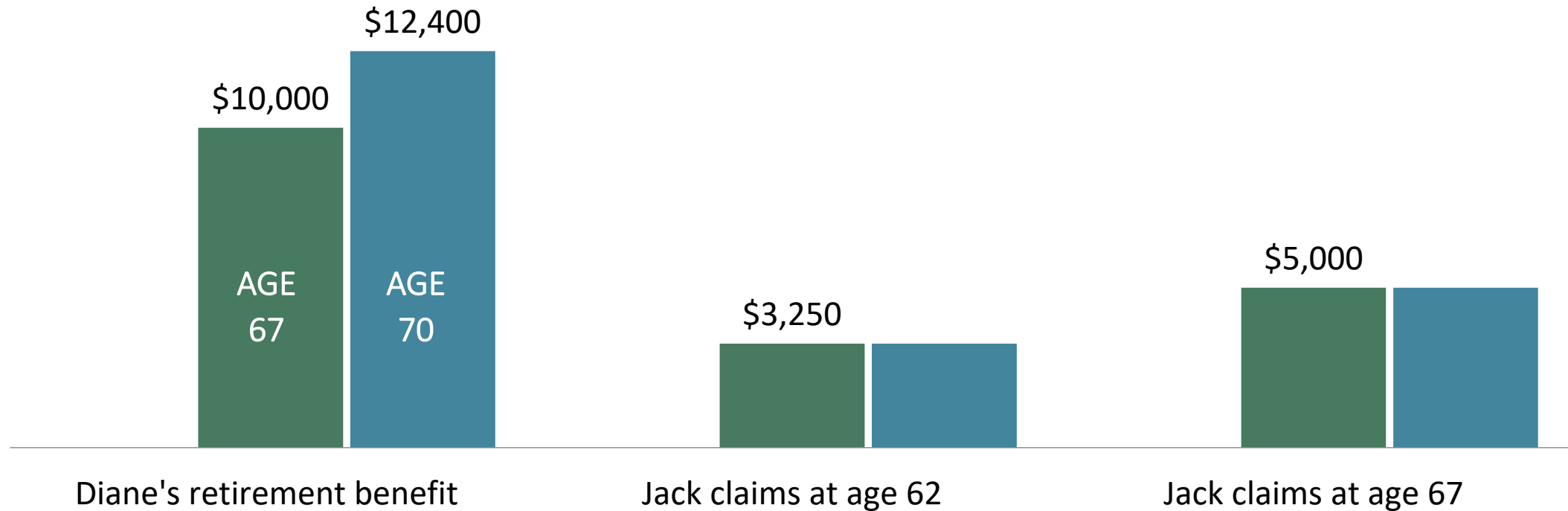


For illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.



# Calculating Spousal Benefit

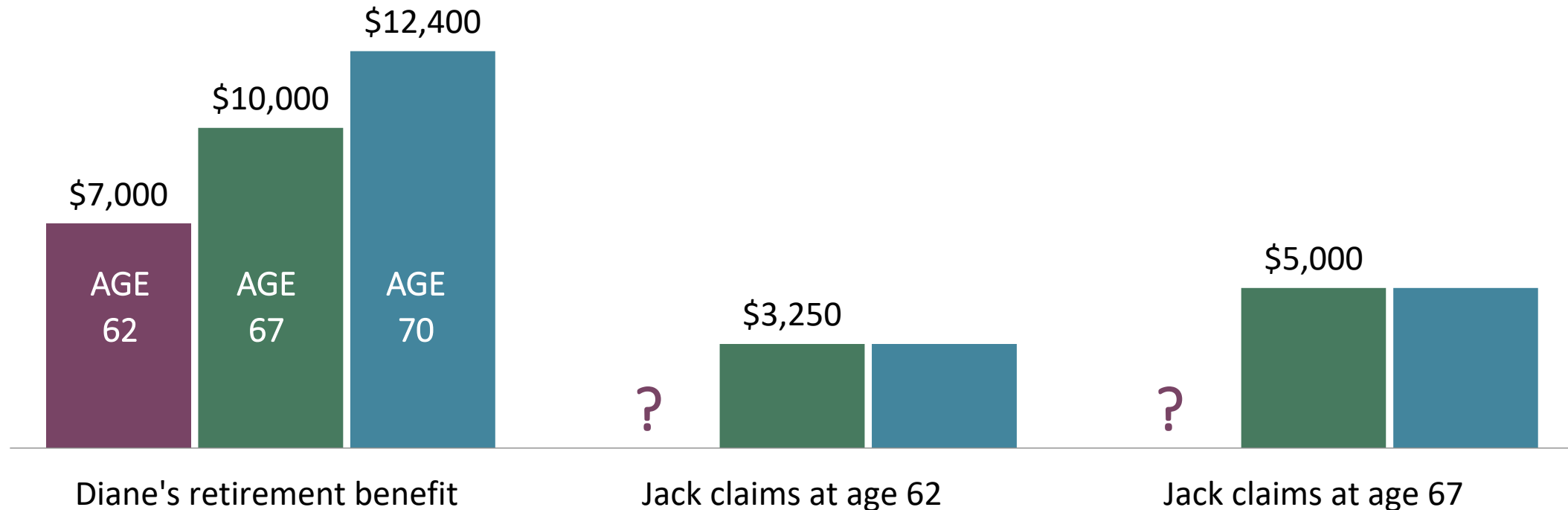
Spousal benefit based on Diane's benefit at Full Retirement Age



For Illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.

# Calculating Spousal Benefit

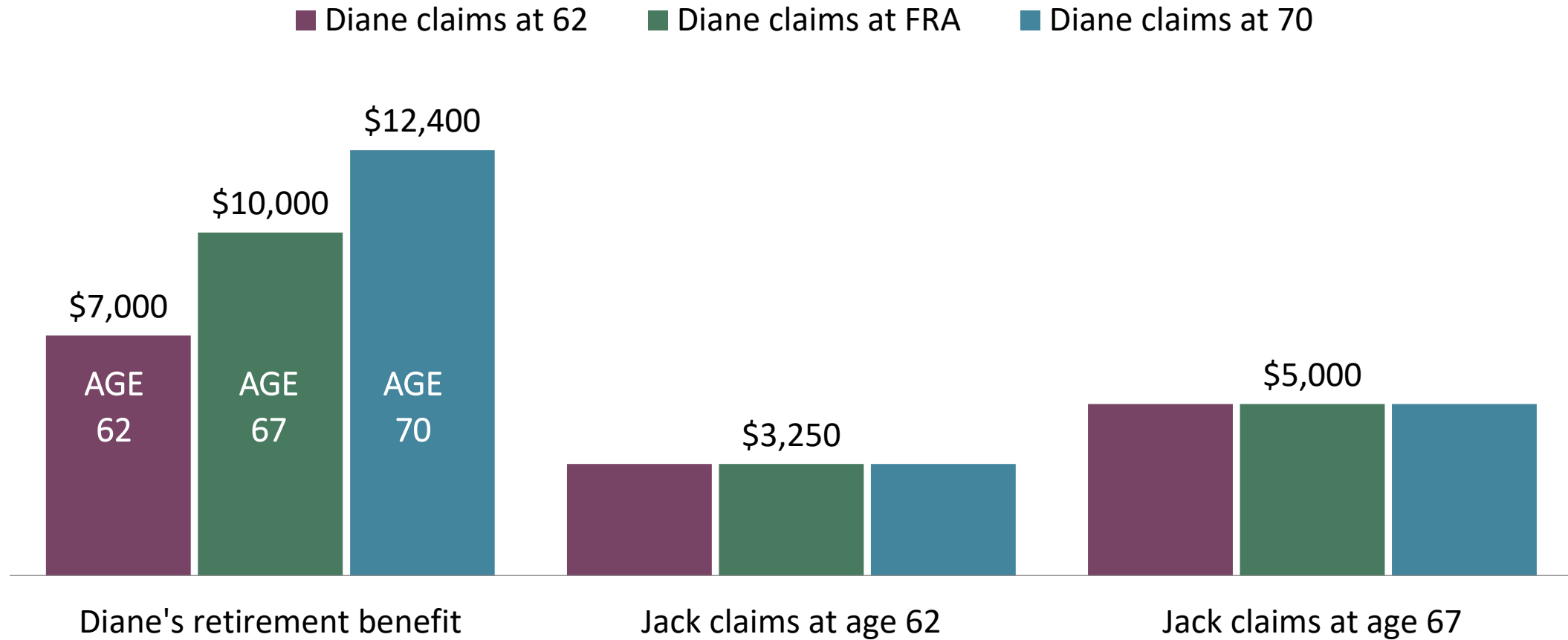
If Diane claims at age 62



For illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.

# Calculating Spousal Benefit

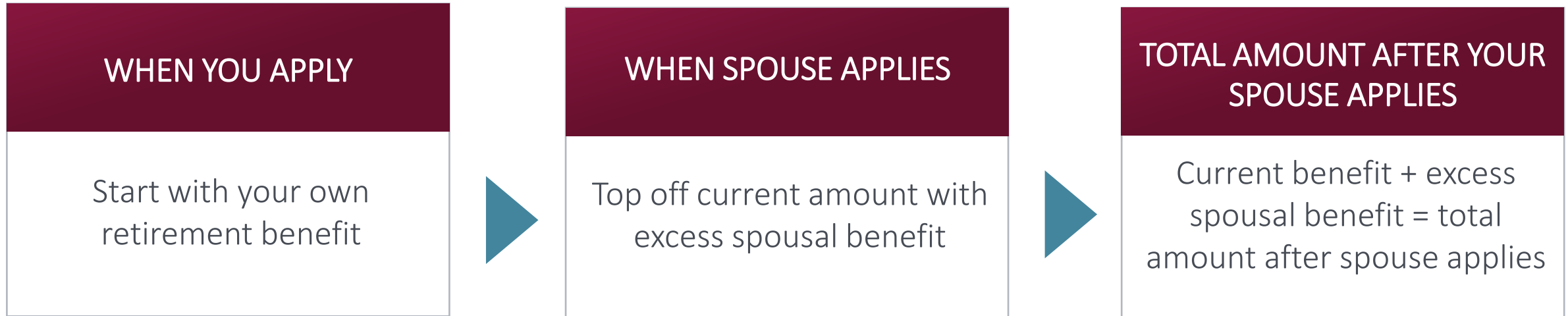
Spousal benefit based on Diane's benefit at Full Retirement Age regardless of when Diane claims



For illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations may vary if client's FRA is different. Divorced spousal benefits are calculated in the same manner.

# What if Lower Earner Applies First

Start with retirement benefit, top off with “excess spousal benefit”



Excess spousal benefit\*



Maximum spousal benefit at your FRA






Your retirement benefit at FRA

\*If you are under FRA when your spouse applies, the excess spousal benefit will also be reduced.

# Case Study: Spouse With Lower Social Security Benefit Applies First

Will the amount increase after their spouse applies?

- All are age 62, married and retired
- What will they receive from Social Security
  - Now
  - When their spouse applies

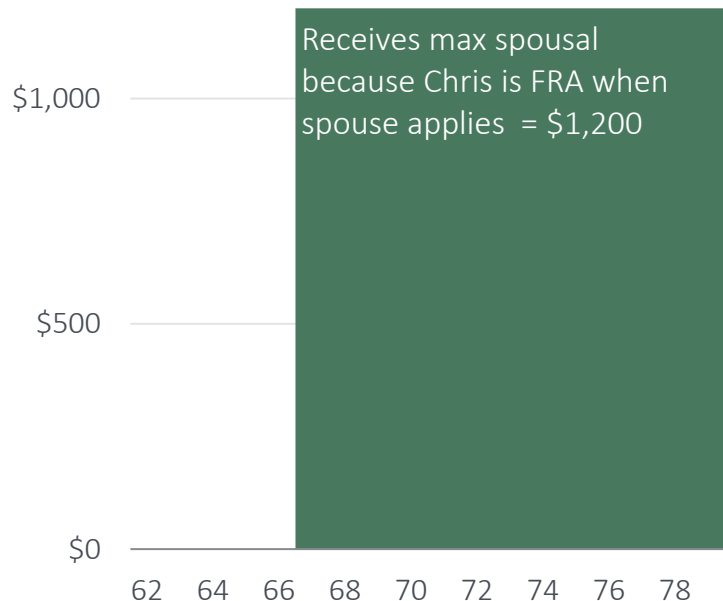
	 Alex	 Blake	 Chris
Retirement benefit at 67	\$1,000	\$1,000	\$0 Cared for family
Spousal benefit at 67	\$1,000	\$1,200	\$1,200

# Spousal Benefit: Available if Spousal at FRA > Retirement Benefit at FRA

If receiving a reduced retirement benefit, total amount after your spouse applies is also reduced

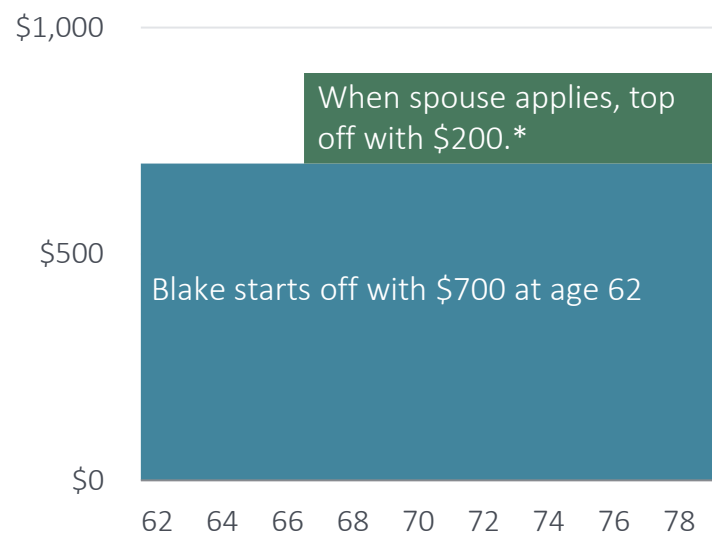
**Chris** Retirement Benefit: N/A  
Spousal Benefit at FRA: \$1,200

Chris is FRA when spouse applies. Chris receives max spousal benefit = \$1,200



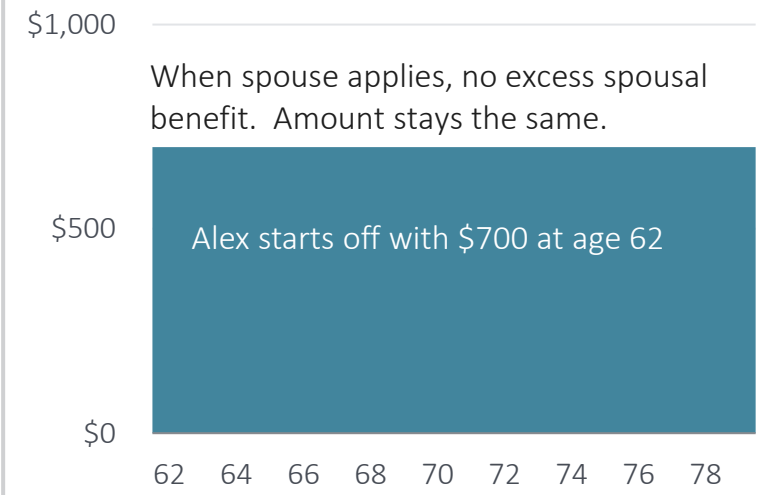
**Blake** Retirement Benefit at FRA: \$1,000  
Spousal Benefit at FRA: \$1,200

Spousal benefit at FRA > retirement benefit at FRA  
→ top off existing amount with excess spousal benefit (\$200)



**Alex** Retirement Benefit at FRA: \$1,000  
Spousal Benefit at FRA: \$1,000

Spousal benefit at FRA ≤ retirement benefit at FRA  
→ no excess spousal benefit



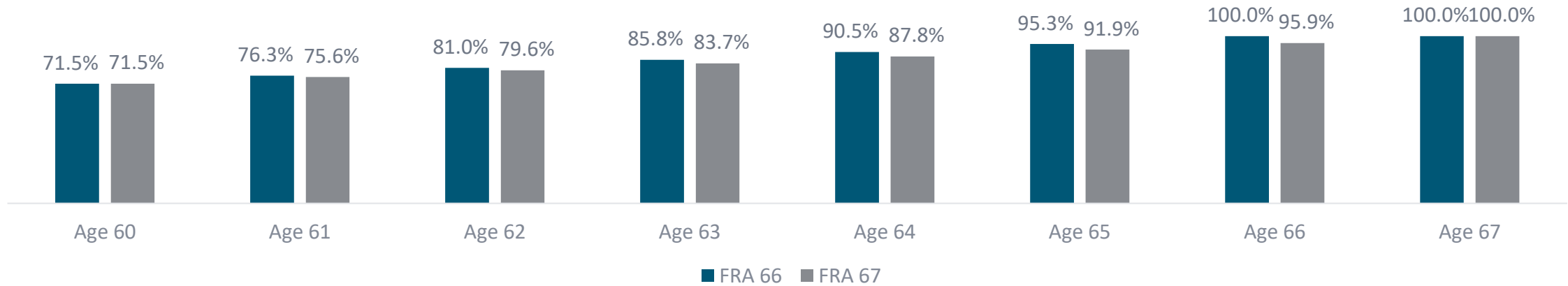
■ Retirement benefit ■ Spousal Benefit

**Alex:** Starts with reduced retirement benefit; not eligible for excess spousal benefit because spousal benefit at FRA < retirement benefit at FRA. **Blake:** Starts with reduced retirement benefit; after spouse applies, the SSA tops off the existing benefit with an *excess spousal benefit*; the excess spousal benefit = (max spousal) – (your retirement benefit at FRA) = \$1,200 – \$1,000 = \$200. \* If Blake was under FRA when spouse applies, the excess spousal benefit will be reduced. **Chris:** Can not receive anything at 62 because Chris does not qualify for his or her own retirement benefit; Chris must wait for spouse to apply in order for Chris to receive a Social Security spousal benefit.

# Survivor Benefits

Available at 60 (50 if you are disabled), earnings test applies to survivor benefits until Full Retirement Age

### Age when you claim the survivor's benefit



## Amount based on

- Age at which deceased claimed retirement benefit\*
- The greater the deceased's benefit, the greater the survivor's benefit

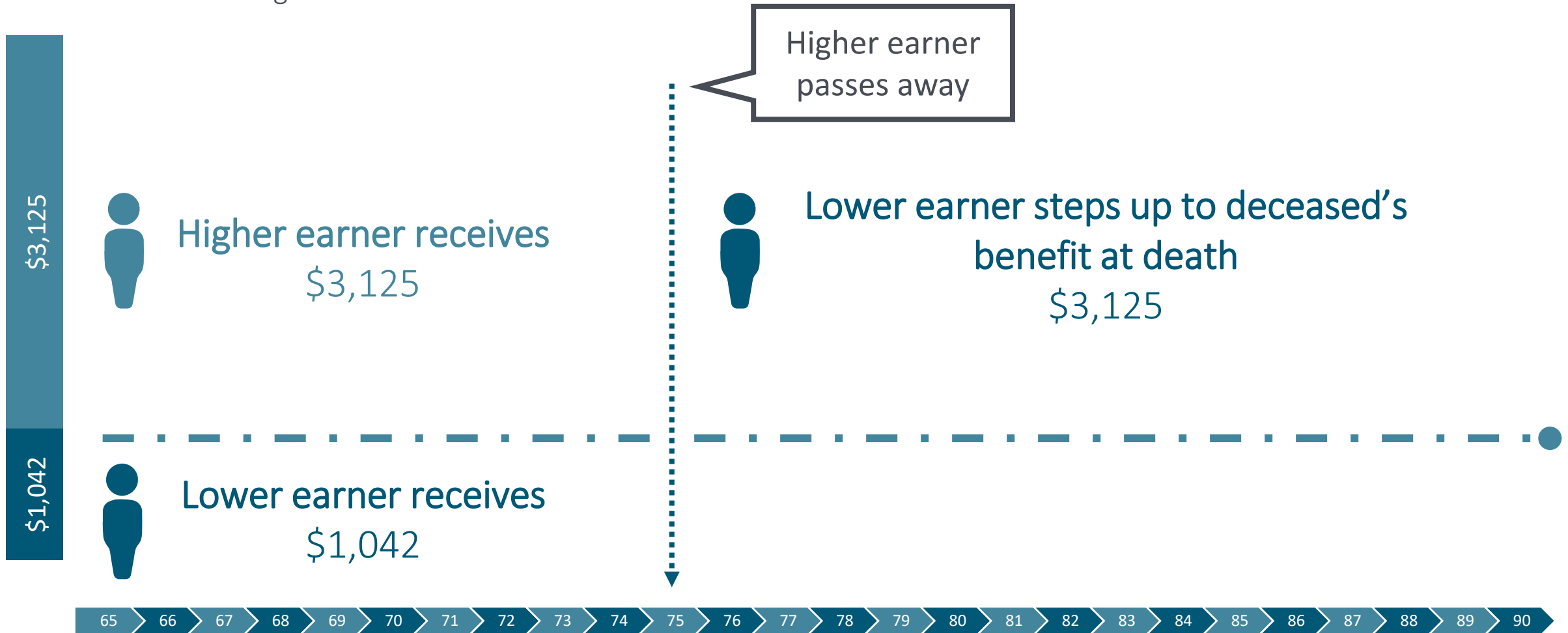
## Percentage based on

- Age survivor claims the survivor benefit
- If survivor claimed retirement or spousal before FRA: No impact. Survivor percentage based on when survivor claims the survivor benefit

\*If deceased was receiving disability benefits, the survivor benefit is based on the deceased's disability benefit. If deceased passed away without claiming, the survivor's benefit is based on the greater of the deceased's FRA benefit or what the deceased would have been entitled to at death.

# Case study: Lower earner claims their benefit before FRA

Lower earner still eligible for max survivor



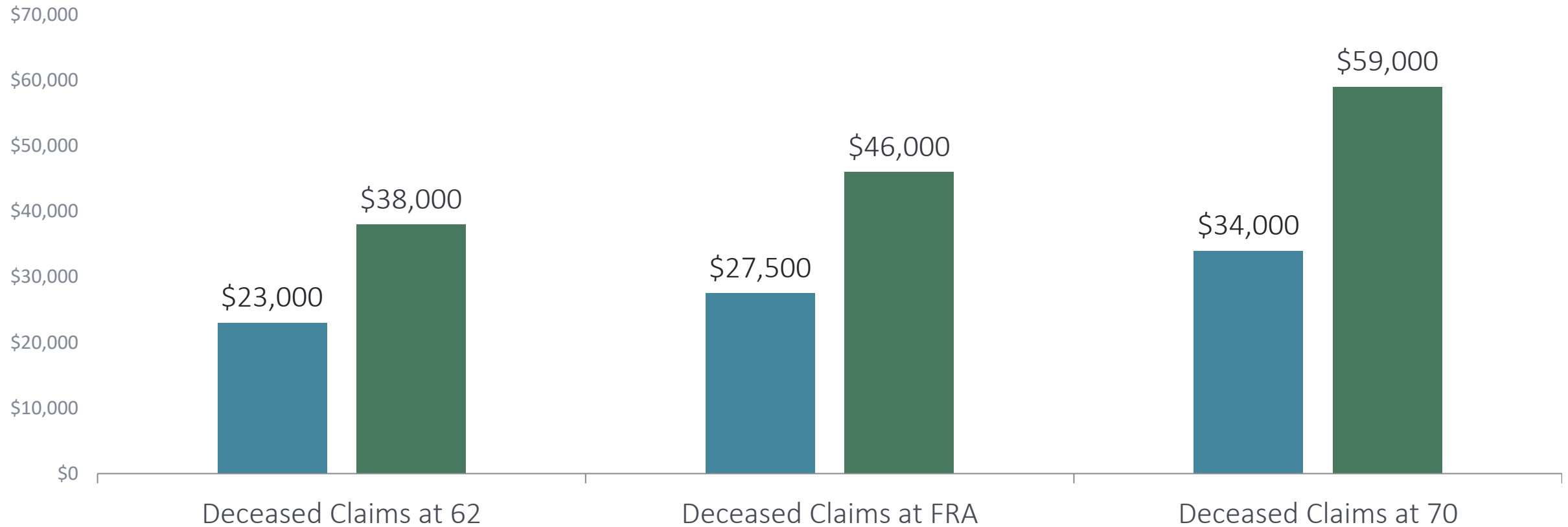
Assumptions: Both spouses worked and paid into Social Security. Full Retirement Age for both spouses is 67. Lower earner is five years younger than higher earner. Higher earner claims at 70, lower earner claims at 65. Lower earner is 75 when the higher earner passes away. Higher earner's retirement benefit at 67 is \$2,500, retirement benefit at 70 is \$3,125. Lower earner's retirement benefit at 67 is \$1,000. Lower earner's calculation at 65: Lower earner applied after the high earner applied, therefore the lower earner receives an amount that equals the higher of their reduced retirement benefit (\$867) or the reduced spousal benefit ( $\$1,042 = 41.7\% \times \$2,500$ ). Assumes no inflation or Cost-of-Living Adjustments (COLA).



# Deceased's Claiming Decision Affects the Surviving Spouse

Change the conversation from “me” to “we”

Survivor benefits based on when deceased claimed their Social Security benefit



Source: Social Security Administration and MFS Calculations, 2023.

# Divorcee Benefits Available if Marriage Lasted 10+ Consecutive Years

Max spousal is 50%, max survivors is 100%



## REQUIREMENTS

- Ex is age 62, dead or disabled
- Ex does not need to be receiving their benefits (unless divorce was < two years ago\*)
- Receiving a benefit off your ex will not reduce your ex's benefit



## CURRENT MARITAL STATUS

- Spousal off ex: unmarried
- Survivors off ex: unmarried or remarried at or after age 60\*\*



## IF YOU WORKED

- Receive the greater of your retirement or spousal/survivor benefit off ex\*\*\*
- Subject to earnings test until FRA

\*If divorce was less than two years ago, former spouse needs to apply in order for you to receive a spousal benefit.

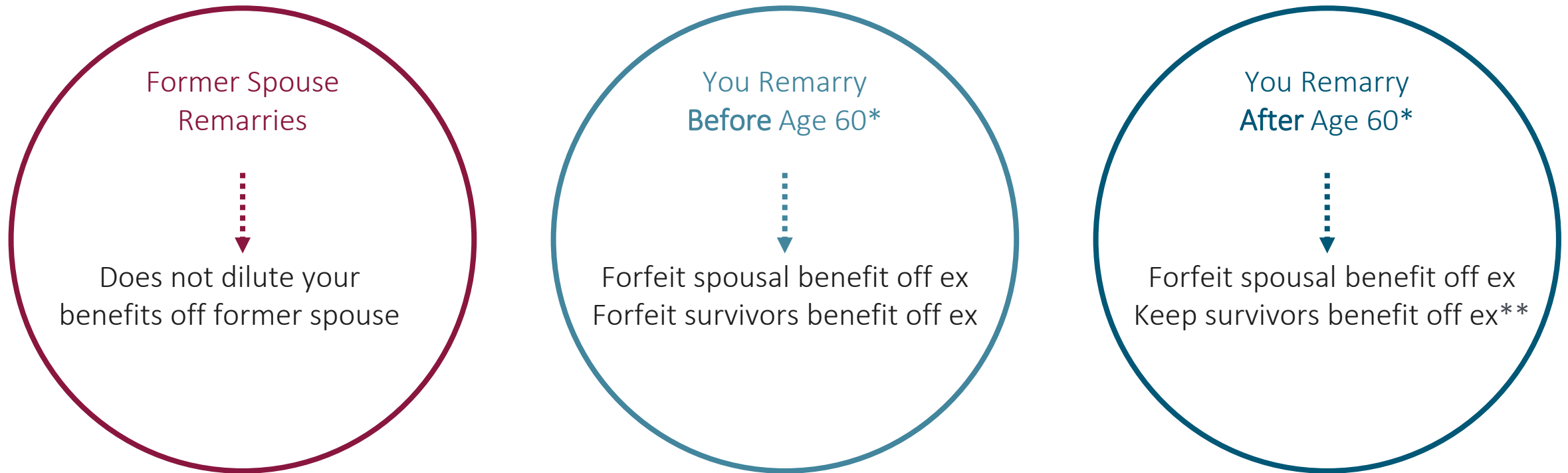
\*\*50 if you are disabled.

\*\*\*Spousal benefit: Only eligible to start with spousal benefit and switch to retirement benefit if you were born on/before 1/1/1954; Survivors benefit: May be eligible to start with one benefit and switch to the other.

Source: Social Security Administration.

# Remarriage and Social Security (for Divorcees and Surviving Spouses)

If your former spouse remarries, it does not affect your benefits



If your second marriage ends (either through divorce, annulment or death), you may become re-entitled to benefits off of the first marriage regardless of your age when you remarry

\*50 if you are disabled.

\*\*If you remarry at or after age 60 (50 if you are disabled), you may receive greater of (1) spousal/survivor benefit of current spouse, (2) your retirement benefit or (3) survivor benefit of former spouse.

Source: Social Security Administration.

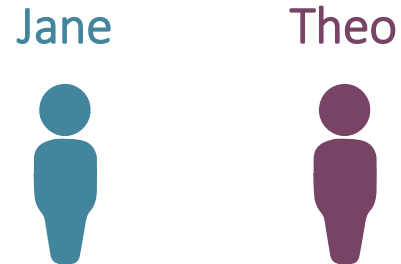
## Case Study: Divorce and Remarriage

If both marriages ended after 10+ years, you receive highest available benefit

- Married **Tom** at 25
- Married 15 years
- Divorced
- **Tom** is deceased



- Married **Theo** at 45
- Married 10 years
- Divorced
- **Theo** is alive and is age 62



**Jane** is single, receives greater of

- **Her** retirement benefit
- Survivor from **Tom**
- Spousal/survivor from **Theo**

## Case Study: Divorce and Remarriage

If both marriages ended after 10+ years, you receive highest available benefit

- Married **Spouse A** at 25
- Married 15 years
- Divorced
- **Spouse A** is deceased

Kris



Spouse A



- Married **Spouse B** at 45
- Married 10 years
- Divorced
- **Spouse B** is alive and is age 62

Kris



Spouse B



**Kris** is single, receives greater of

- **Kris'** retirement benefit
- Survivor from **Spouse A**
- Spousal/survivor from **Spouse B**

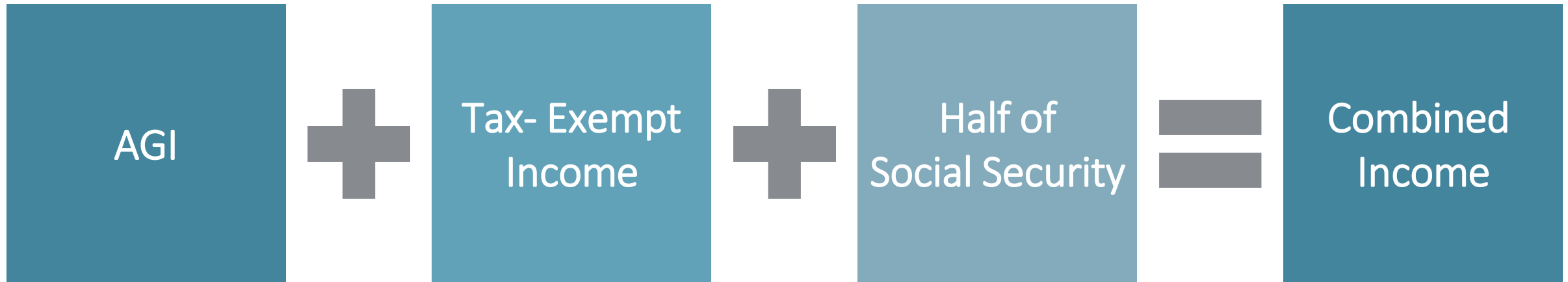
# Taxes and your retirement plan



# Taxes and Social Security

	Social Security benefits are not taxable	Up to 50% of Social Security Benefits May Be Taxable	Up to 85% of Social Security Benefits May Be Taxable
<b>Individuals</b>	< \$25,000	\$25,000 – \$34,000	\$34,001+
<b>Married Couples Filing Jointly</b>	< \$32,000	\$32,000 – \$44,000	\$44,001+

# Combined Income Determines if Social Security Benefits Are Taxable



Source: Social Security Administration.

\* This is not all-encompassing. May include income from savings bonds to pay for higher education and deductions for qualified educational loans. Contact a qualified tax advisor for more information. MFS does not provide tax advice. For informational purposes only.



# Taking Social Security at 70 versus 62 may Reduce Taxes

Federal taxes for married couple, age 71, after-tax income goal of \$75,000

	Begin Social Security at age 62	Begin Social Security at age 70
Annual Social Security benefit	\$39,319	\$65,854
Withdrawal from tax-deferred account	\$38,300	\$9,146
Combined income <sup>1</sup>	\$57,959	\$42,073
Taxable Social Security	\$17,865	\$5,036
AGI <sup>2</sup>	\$56,165	\$14,182
Taxable income after standard deduction <sup>3</sup>	\$25,465	\$0
<b>Federal income taxes</b>	<b>\$2,616</b>	<b>\$0</b>

<sup>1</sup>Modified AGI + Tax-exempt income + half of Social Security.

<sup>2</sup>Withdrawal from tax-deferred account plus taxable portion of Social Security.

<sup>3</sup>Standard deduction in 2023 is \$27,700 per couple; additional deduction for joint filer 65 and over is \$1,500 apiece, for a total of \$3,000 if both joint filers are age 65+.

Sources: Social Security Administration, IRS and MFS Calculations.

Social Security benefits based on worker with average lifetime earnings of \$101,000.

This situation is hypothetical in nature and for informational use only. Every situation is different. MFS does not provide tax advice.

## Combined Income Exclusions

Roth IRA and Roth  
401(k)/403(b)\*

Qualified charitable  
distributions\*

Nontaxable portion  
of pensions  
and annuities\*

Inheritance and gifts\*\*

Life insurance  
proceeds\*\*

HSA withdrawals  
for qualified  
medical expenses\*\*

Sources: \*IRS Publication 590-B \*\* IRS Publication 525. This may not be a comprehensive list.

MFS does not provide tax, legal, retirement, Social Security, or accounting advice. Please consult with a qualified tax advisor for more information.

# Questions to Consider

Discuss claiming options and the impact it will have on your retirement income goals with your investment professional

- How long will you work?
- What is your withdrawal rate?
- What is your (combined) life expectancy?

## Guidelines to Claim Social Security and Minimize Longevity Risk



### Single

- Average life expectancy: take when needed
- Long life expectancy: let Social Security grow as long as possible



### Married

- Spouse with lower Social Security benefit begins as soon as possible
- Spouse with higher Social Security benefits maximizes benefits as much as possible

Thank You!



# Appendix

# Get More From Social Security

## If single

In peak earnings year, consider working for longer, as your higher earning years will replace your lower earning ones

## If married

Encourage the spouse with the highest benefit to let it grow in order to maximize the survivors benefit

## If divorced

If you were married for 10 years or longer, you may qualify for benefits off your ex-spouse(s)

## If widowed

Check to see if you can start with one benefit – yours or the survivors – then switch to the other

# Taking Social Security at 70 vs. 62 may Reduce Taxes

Federal taxes for married couple, age 71, after-tax income goal of \$75,000

	Begin Social Security at age 62	Begin Social Security at age 70
Annual Social Security benefit	\$29,755	\$49,836
Withdrawal from tax-deferred account	\$59,962	\$25,855
Combined income <sup>1</sup>	\$64,840	\$50,773
Taxable Social Security	\$23,714	\$11,757
AGI <sup>2</sup>	\$73,676	\$37,612
Taxable income after standard deduction <sup>3</sup>	\$42,976	\$6,912
<b>Federal income taxes</b>	<b>\$4,717</b>	<b>\$691</b>

<sup>1</sup>Modified AGI + Tax-exempt income + half of Social Security.

<sup>2</sup>Withdrawal from tax-deferred account plus taxable portion of Social Security.

<sup>3</sup>Standard deduction in 2023 is \$27,700 per couple; additional deduction for joint filer 65 and over is \$1,500 apiece, for a total of \$3,000 if both joint filers are age 65+.

Sources: Social Security Administration, IRS and MFS Calculations.

Social Security benefits based on worker with average lifetime earnings of \$63,000

This situation is hypothetical in nature and for informational use only. Every situation is different. MFS does not provide tax advice.

# Medicare Part B

Monthly Premiums



## Medicare Part B and D premiums for 2024

Individual tax return in 2022	Joint tax return in 2022	PART B Premium per person	PART D Premium per person
< \$103,000	< \$206,000	\$174.70	Plan premium
\$103,001–\$129,000	\$206,001–\$258,000	\$244.60	\$12.90 + plan premium
\$129,001–\$161,000	\$258,001–\$322,000	\$349.40	\$33.30 + plan premium
\$161,001–\$193,000	\$322,001–\$386,000	\$454.20	\$53.80 + plan premium
\$193,001–\$499,999	\$386,001–\$749,999	\$559.00	\$74.20 + plan premium
\$500,000+	\$750,000+	\$594.00	\$81.00 + plan premium

**PREMIUMS BASED ON MAGI FROM TWO YEARS AGO**

Source: cms.gov, 2024 Medicare Parts A&B Premiums and Deductibles

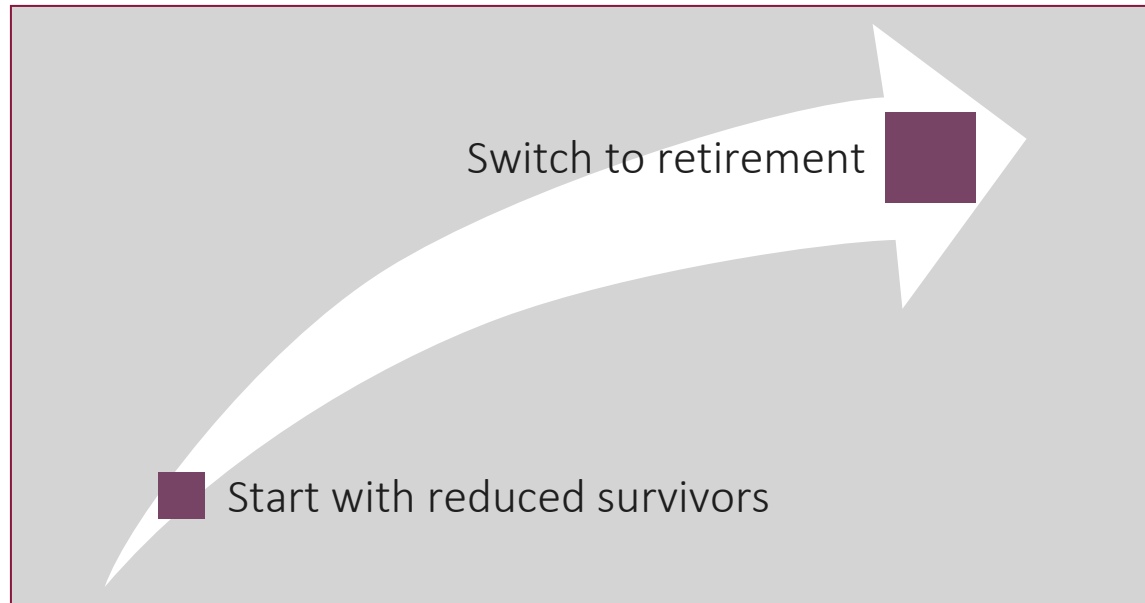


# Options for Widow(er)s

May start with one benefit and switch; earnings limit applies to any benefit received before Full Retirement Age.

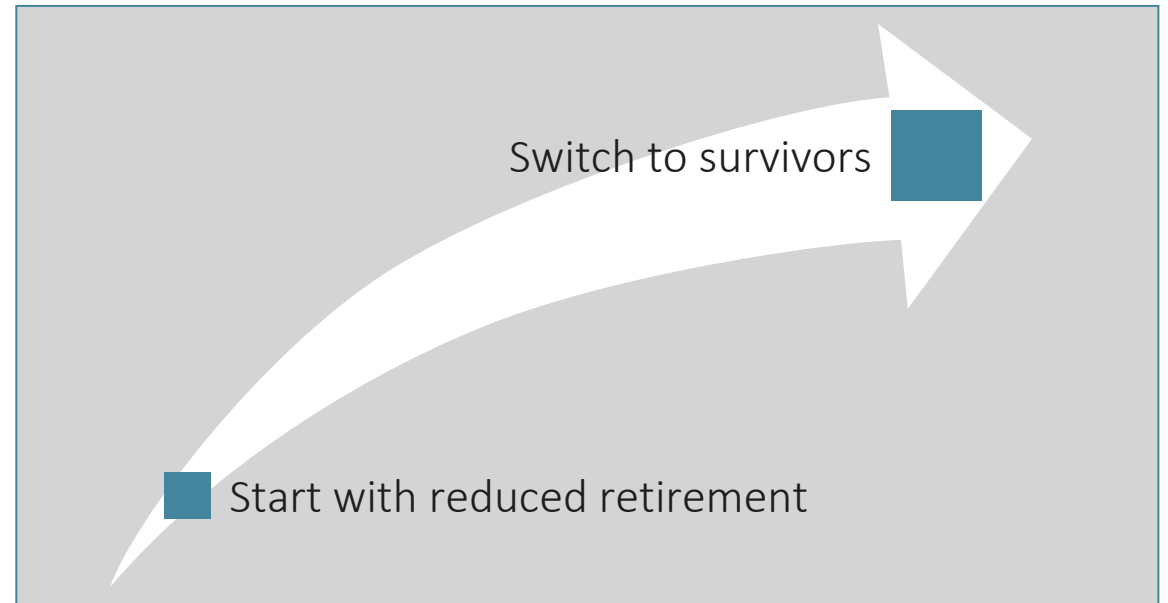
## Option 1

Start with reduced survivors benefit



## Option 2

Start with reduced retirement benefit



# Retirement Benefits: Potential Options to Stop Social Security benefits



## Before FRA

### GO BACK TO WORK

- Benefits will be temporarily withheld.\*

## At/after FRA

### SUSPEND BENEFITS

- Eight percent annual growth continues off current amount.
- Cannot receive spousal benefits nor can your spouse receive a spousal benefit off you.
- Medicare premiums are paid out of pocket.

## Any age

### Withdraw Application

- Must be done within first twelve months
- Must repay everything (Social Security, taxes withheld, Medicare)

Source: ssa.gov.

\*If some of your retirement benefits are withheld because of your earnings, your monthly benefit will increase starting at your Full Retirement Age to take into account those months in which benefits were withheld.

# Reductions if Worked in Position that Did Not Pay into Social Security



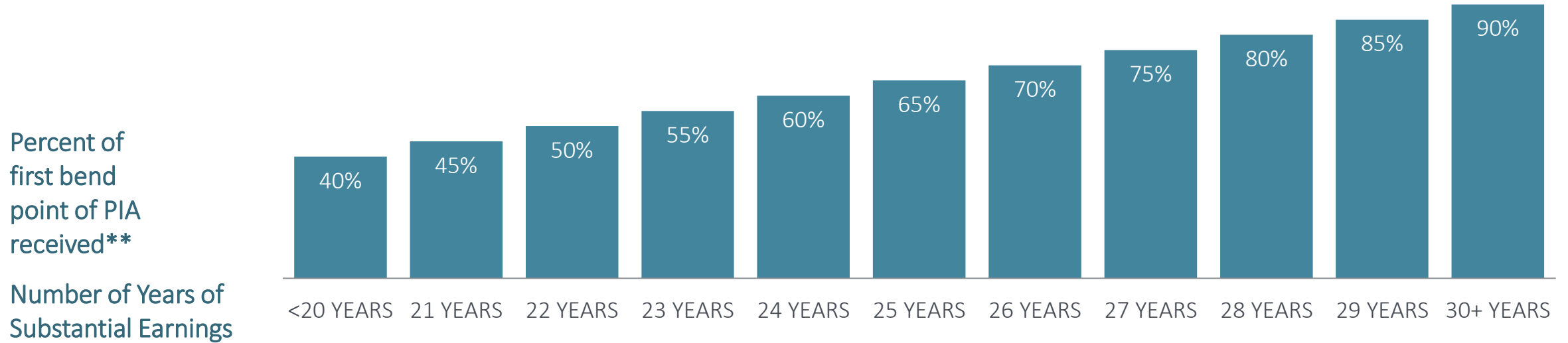
	Windfall Elimination Provision (WEP)	Government Pension Offset (GPO)
<b>Who it affects</b>	You receive a pension from a position that didn't pay into Social Security (including certain foreign pensions) and Social Security benefits	You worked in a federal, state or local government position that didn't pay into Social Security; your spouse worked in the private sector
<b>What it may reduce</b>	<ul style="list-style-type: none"> <li>- Your Social Security retirement or disability benefit</li> <li>- Spousal benefit off you</li> </ul>	Reduce Social Security spousal/survivors benefits off your spouse by two-thirds of your government pension
<b>Maximum Reduction</b>	\$587.00 if you turn 62 in 2024	If your government pension is 1.5x > your spouses retirement benefit, may wipe out your spousal and survivors benefit
<b>Exceptions</b>	<ul style="list-style-type: none"> <li>- Does not reduce survivors benefit off you</li> <li>- Eliminated if you have 30 years of substantial earnings*</li> </ul>	Last 60 months of government employment covered by both Social Security and the pension plan that provides your government pension**

\*Substantial earnings for selected years are \$31,275 (2024), \$29,700 (2023), \$27,300 (2022), \$26,550 (2021), \$25,575 (2020), \$22,050 (2015), \$19,800 (2010), \$16,725 (2005), \$14,175 (2000), \$11,325 (1995), \$9,525 (1990) \$7,425 (1985), \$5,100 (1980). See Social Security Publication "Windfall Elimination Provision" for more details

\*\*If at any time during the last 60 months of government service, you worked in non-covered employment under the retirement system that provides the pension, your spousal and survivor benefit will be subject to GPO even if you concurrently worked in another position with the same employer covered by Social Security.

Sources: SSA Publication No. 05-10007 "Government Pension Offset," SSA Publication No. 05-10045 "Windfall Elimination Provision"

# WEP Adjustment Based on Years of Substantial Earnings\*



Maximum monthly benefit reductions by year you turn 62	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	\$587.00	\$557.50	\$512.00	\$498.00	\$480.00	\$463.00	\$416.70	\$370.40	\$324.10	\$277.80	\$231.50	\$185.20
	\$528.30	\$501.80	\$460.80	\$448.20	\$432.00	\$416.70	\$370.40	\$324.10	\$277.80	\$231.50	\$185.20	\$138.90
	\$469.60	\$446.00	\$409.60	\$398.40	\$384.00	\$370.40	\$324.10	\$277.80	\$231.50	\$185.20	\$138.90	\$92.60
	\$410.90	\$390.03	\$358.40	\$348.60	\$336.00	\$324.10	\$277.80	\$231.50	\$185.20	\$138.90	\$92.60	\$46.30
	\$352.20	\$334.50	\$307.20	\$298.80	\$288.00	\$277.80	\$231.50	\$185.20	\$138.90	\$92.60	\$46.30	\$0.00
	\$293.50	\$278.80	\$256.00	\$249.00	\$240.00	\$231.50	\$185.20	\$138.90	\$92.60	\$46.30	\$0.00	\$0.00
	\$234.80	\$223.00	\$204.80	\$199.20	\$192.00	\$185.20	\$138.90	\$92.60	\$46.30	\$0.00	\$0.00	\$0.00
	\$176.10	\$167.30	\$153.60	\$149.40	\$144.00	\$138.90	\$92.60	\$46.30	\$0.00	\$0.00	\$0.00	\$0.00
	\$117.40	\$111.50	\$102.40	\$99.60	\$96.00	\$92.60	\$46.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$58.70	\$55.80	\$51.20	\$49.80	\$48.00	\$46.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\*Substantial earnings for selected years are \$31,275 (2024), \$29,700 (2023), \$27,300 (2022), \$26,550 (2021), \$25,575 (2020), \$22,050 (2015), \$19,800 (2010), \$16,725 (2005), \$14,175 (2000), \$11,325 (1995), \$9,525 (1990), \$7,425 (1985), \$5,100 (1980). See Social Security Publication "Windfall Elimination Provision" for more details.

\*\*PIA (Primary Insurance Amount) is the Social Security retirement benefit at Full Retirement Age. It is computed by dividing the Averaged Indexed Monthly Earnings (AIME) into three bend points. In 2024, the three bend points are 90% of the first \$1,174 of AIME, 32% of AIME over \$1,174 through \$7,078, and 15% of AIME over \$7,078.

# Disability Benefits

	SSDI Social Security Disability Trust Fund	SSI Supplement Social Insurance
<b>Initial Qualifications</b>	Based on your work history (If 31 or older when disability occurred: Generally must have worked 5 out of the last 10 years)	Must have limited income and resources.
<b>Full Retirement Age</b>	At Full Retirement Age: <ul style="list-style-type: none"> <li>- Amount does not change</li> <li>- Funding switches from Disability to Retirement</li> </ul>	Assuming assets, income and life circumstances do not change, then dollar amount will not change
<b>Dependent Eligibility</b>	Entitles children and spouse to Social Security benefits	Does not entitle children and spouse to Social Security benefits
<b>Health insurance</b>	Medicare after two years	Medicaid

# Eligibility for Family Benefits

## QUALIFYING EVENT

- Disablement
- Retirement
- Death

## CHILDREN QUALIFICATION

- Unmarried
- Younger than age 18
- Or 18 to 19 years old and a full-time student (no higher than grade 12)
- Or 18 or older and disabled (disability must have started before age 22)

## CHILD-IN-CARE SPOUSE/ WIDOW(ER) QUALIFICATIONS\*

- Caring for child who is under age 16 or disabled
- Benefits end if child-in-care spouse/widow(er) remarries

\*Earnings test applies to any benefit received before Full Retirement Age. If you receive retirement benefits, your excess earnings are charged against the total monthly family benefit. This reduces the total family benefit.

Sources: Social Security Bulletin, Social Security Handbook, Social Security Administration.

# Maximum Family Benefits\*

	Children's Benefit	Child-in-care Spousal / Widow(er) Benefit	Family Maximum
If parent is disabled	Up to 50% of disability benefit	Up to 50% of disability benefit	100% – 150% of worker's PIA
If parent is retired	Up to 50% of full retirement benefit	Up to 50% of full retirement benefit	150% – 180% of worker's PIA
If parent is deceased	Up to 75% of deceased parent's basic Social Security benefit	Up to 75% of deceased parent's basic Social Security benefit	150% – 180% of worker's PIA

**If total amount payable to all family members exceeds family maximum limit, each person's benefit is reduced proportionately (except retired/disabled parent's benefit) until total equals family maximum.**

\*Earnings test applies to any benefit received before Full Retirement Age. If you receive retirement benefits, your excess earnings are charged against the total monthly family benefit. This reduces the total family benefit.

Sources: Social Security Bulletin, Social Security Handbook, Social Security Administration.

# Survey Methodology

## Audience

- Ages 18+, employed at least part-time
- Active workplace retirement plan participants / members in the US, Canada, UK, and Australia.\*
- Data weighted to mirror the age / gender distribution of the workforce in each country.

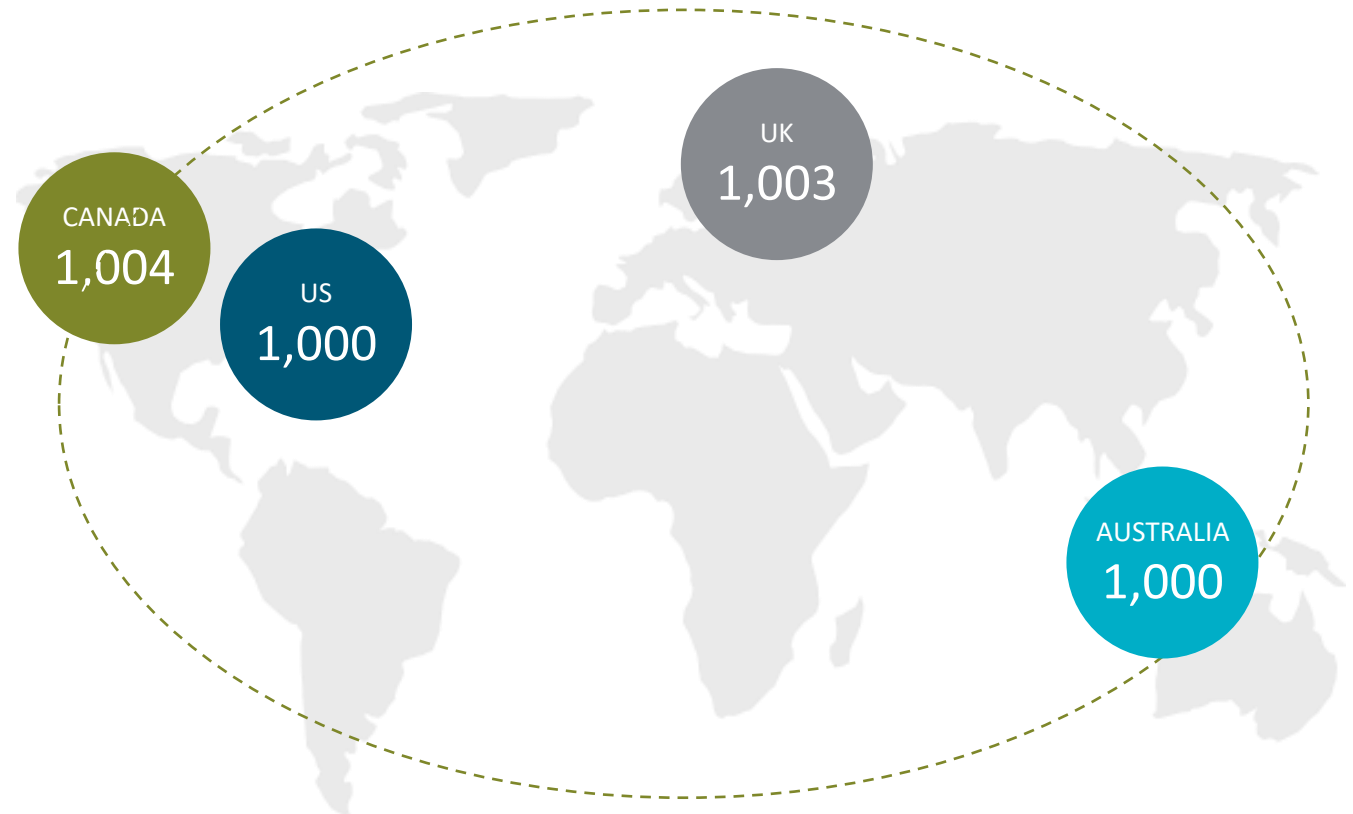
## Methodology

- Mode: 15 min. online survey
- MFS not revealed as the sponsor
- Field period: March 22 – April 6, 2023

## Key Topics of Inquiry

- Impact of market events
- Retirement confidence and advice
- Target date funds
- Retirement income
- Sustainability

## Global Insights from 4,000+ Workplace Defined Contribution Retirement Plan / Scheme Members



\*To qualify in each region: US, actively contributing to a 401(k), 403(b), 457, or 401(a) / Canada, actively contributing to DC Pension Plan, Group Registered Retirement Savings Plan, Deferred Profit Sharing Plan, Non-Registered Group Savings Plan, or Simplified Employee Pension Plan / UK, actively contributing to a Defined Contribution Scheme, Master Trust, or Individual Savings Account. / Australia, actively contributing to an industry, retail, corporate or public sector super fund or a self-managed super fund. Arrows shown throughout represent trend from 2022 survey results.