Social Security Information

2022 NYSTRS Delegates Meeting
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Member Relations Representative
You pay 6.2% of your gross earnings*
✓ Your employer also pays 6.2%.

The self-employed pay the full 12.4% of net earnings.*

*Maximum taxable amount changes annually.
# Maximum Wage Taxed

Contributions and benefit bases, 1937-2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937-50</td>
<td>$3,000</td>
<td>1986</td>
<td>$42,000</td>
<td>2006</td>
<td>$94,200</td>
</tr>
<tr>
<td>1951-54</td>
<td>3,600</td>
<td>1987</td>
<td>43,800</td>
<td>2007</td>
<td>97,500</td>
</tr>
<tr>
<td>1955-58</td>
<td>4,200</td>
<td>1988</td>
<td>45,000</td>
<td>2008</td>
<td>102,000</td>
</tr>
<tr>
<td>1959-65</td>
<td>4,800</td>
<td>1989</td>
<td>48,000</td>
<td>2009</td>
<td>106,800</td>
</tr>
<tr>
<td>1966-67</td>
<td>6,600</td>
<td>1990</td>
<td>51,300</td>
<td>2010</td>
<td>106,800</td>
</tr>
<tr>
<td>1972</td>
<td>9,000</td>
<td>1992</td>
<td>55,500</td>
<td>2012</td>
<td>110,100</td>
</tr>
<tr>
<td>1973</td>
<td>10,800</td>
<td>1993</td>
<td>57,600</td>
<td>2013</td>
<td>113,700</td>
</tr>
<tr>
<td>1974</td>
<td>13,200</td>
<td>1994</td>
<td>60,000</td>
<td>2014</td>
<td>117,000</td>
</tr>
<tr>
<td>1975</td>
<td>14,100</td>
<td>1995</td>
<td>61,200</td>
<td>2015</td>
<td>118,500</td>
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<tr>
<td>1976</td>
<td>15,300</td>
<td>1996</td>
<td>62,700</td>
<td>2016</td>
<td>118,500</td>
</tr>
<tr>
<td>1977</td>
<td>16,500</td>
<td>1997</td>
<td>65,400</td>
<td>2017</td>
<td>127,200</td>
</tr>
<tr>
<td>1978</td>
<td>17,700</td>
<td>1998</td>
<td>68,400</td>
<td>2018</td>
<td>128,400</td>
</tr>
<tr>
<td>1979</td>
<td>22,900</td>
<td>1999</td>
<td>72,600</td>
<td>2019</td>
<td>132,900</td>
</tr>
<tr>
<td>1980</td>
<td>25,900</td>
<td>2000</td>
<td>76,200</td>
<td>2020</td>
<td>137,700</td>
</tr>
<tr>
<td>1981</td>
<td>29,700</td>
<td>2001</td>
<td>80,400</td>
<td>2021</td>
<td>142,800</td>
</tr>
<tr>
<td>1982</td>
<td>32,400</td>
<td>2002</td>
<td>84,900</td>
<td>2022</td>
<td>147,000</td>
</tr>
<tr>
<td>1983</td>
<td>35,700</td>
<td>2003</td>
<td>87,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>37,800</td>
<td>2004</td>
<td>87,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>39,600</td>
<td>2005</td>
<td>90,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023</td>
<td>160,200</td>
</tr>
</tbody>
</table>
Average Indexed Monthly Earnings (AIME)

SSA applies an inflation factor to determine your lifetime indexed earnings.

The total of your 35 highest years of indexed earnings is divided by 420 (i.e., the number of months in 35 years).

Highest AIME in 2023 is $12,427
### Average Indexed Monthly Earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal earnings</th>
<th>Indexing factor</th>
<th>Indexed earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>13,587</td>
<td>3.8282</td>
<td>52,014</td>
</tr>
<tr>
<td>1983</td>
<td>14,294</td>
<td>3.6504</td>
<td>52,178</td>
</tr>
<tr>
<td>2018</td>
<td>54,292</td>
<td>1.0668</td>
<td>57,918</td>
</tr>
<tr>
<td>2019</td>
<td>56,486</td>
<td>1.0283</td>
<td>58,082</td>
</tr>
<tr>
<td>2020</td>
<td>58,246</td>
<td>1.0000</td>
<td>58,246</td>
</tr>
<tr>
<td>2021</td>
<td>62,018</td>
<td>1.0000</td>
<td>62,018</td>
</tr>
</tbody>
</table>

**Highest-35 total**: 1,950,355

**AIME**: 4,643

Actual salaries are multiplied by the Indexing factor to bring the salaries up to today’s standards.
You get a percentage of your average lifetime monthly earnings based on the following formula:

- 90% of the first $1,115 of your AIME; plus $1,003.50
- 32% of your AIME between $1,115 and $6,712; plus $1,128.96
- 15% of any amount over $6,712 to $12,427. + 0.00

Based on an AIME of $4,643 $2,132.46
When Should I Collect?
## Full Retirement Age (FRA)

<table>
<thead>
<tr>
<th>Year of birth</th>
<th>Full retirement age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943-1954</td>
<td>66</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 and 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 and 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 and 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 months</td>
</tr>
<tr>
<td>1960 and later</td>
<td>67</td>
</tr>
</tbody>
</table>

**NOTE:** People born on January 1 of any year, refer to the previous year.
For each year that you wait to collect after age 62, the amount increases by 8%.
Monthly Benefit Amounts Differ Based on the Age You Decide to Start Receiving Benefits

This example assumes a benefit of $1,000 at a full retirement age of 67.
$12,000 - $8,400 = $3,600. This is the annual difference by waiting until 67.

$8,400 \times 5 \text{ (years not collected between 62 and 67)} = $42,000 of missed benefit.

It will take approximately 12 years for the extra $3,600 annual amount to make up for the $42,000 lost by delaying payment.

If you invested that $42,000 along the way, the breakeven point may be later.
What do you plan to do in retirement?
What to Consider

Longevity
What to Consider

Care
What to Consider

Work
Your Child

- Not married and under age 18 (under 19 if still in high school)
- Not married and disabled before age 22

Your Spouse

- Age 62 or older
- Any age if caring for a child under age 16 or disabled
Spousal Benefits

- The maximum spousal benefit is 50% of your full retirement benefit.

- If your spouse qualifies for benefits on their own record, SSA will pay that amount first.

- If the benefit on your record is higher, your spouse will receive an additional amount on your record so that the combination of the two benefits equals that higher amount.
Spousal Benefits

If your spouse begins receiving benefits:

- Between age 62 and their full retirement age, the amount is permanently reduced by a percentage based on the number of months up to their full retirement age.

- At their full retirement age, the spouse’s benefit cannot exceed one-half of your full retirement amount.
Survivor Benefits Are Possible

Widow or Widower

- Must be 60 years or older; or
- 50 years or older and disabled; or
- Any age if caring for your child who is younger than 16 or disabled.
Survivor Benefits Are Possible

Unmarried Children

- Younger than 18; or

- Between 18 and 19 but in school (to grade 12) on full-time basis; or

- 18 or older and severely disabled prior to turning 22.
Will Social Security Be There for Me?
Why Are Americans Concerned?

- Social Security is a pay-as-you-go plan.
- Retiree population is growing.
- Working population is shrinking.
- Taxes collected currently are not sufficient.
- Reserves are now being utilized to pay benefits.
As of 2035, if legislative changes are not made, Social Security will be able to pay only 80% of the benefits promised.
Increasing Retired Population

Baby Boomers are retiring at a rate of:

- 10,000 each day
- 300,000 each month
- 3.6 million per year
Possible Reform Options

- Raise the full retirement age beyond 67
- Raise the cap on wages subject to payroll taxes
- Raise the Social Security payroll tax rate
- Reduce benefits for certain income brackets
- Adjust the cost-of-living calculation
To Apply For Social Security Benefits

You can apply up to four months prior to benefit start date.

- Online:  www.ssa.gov/applyforbenefits
- By phone: (800) 772-1213

Regardless of when you claim Social Security benefits, the sign-up age for Medicare is still 65.
What to Have Ready When You Apply

Before applying, be ready to provide your Social Security number and information about:

• Dates of current and previous marriages, and where you were married
• U.S. military service dates and branches
• Employer names and dates for the past two years
• Self-employment income and type of business
• Bank information to set up your direct deposit
• Family members who may be eligible to receive benefits on your record
Your Benefits May Be Taxed

- Up to 85% of your Social Security benefit may be federally taxable, depending on total income (e.g., wages, interest, or dividends)

- Most states do not tax Social Security, but there are exceptions
  - No NYS income tax on Social Security benefits
  - Learn more at www.socialsecurity.gov/retirement/planners/taxes.html
Inflation Protection

Social Security payments are adjusted for inflation through an annual Cost-of-Living-Adjustment (COLA)

<table>
<thead>
<tr>
<th>Year</th>
<th>COLA</th>
<th>Year</th>
<th>COLA</th>
<th>Year</th>
<th>COLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.8%</td>
<td>2014</td>
<td>1.5%</td>
<td>2019</td>
<td>2.8%</td>
</tr>
<tr>
<td>2010</td>
<td>0.0%</td>
<td>2015</td>
<td>1.7%</td>
<td>2020</td>
<td>1.6%</td>
</tr>
<tr>
<td>2011</td>
<td>0.0%</td>
<td>2016</td>
<td>0.0%</td>
<td>2021</td>
<td>1.3%</td>
</tr>
<tr>
<td>2012</td>
<td>3.6%</td>
<td>2017</td>
<td>0.3%</td>
<td>2022</td>
<td>5.9%</td>
</tr>
<tr>
<td>2013</td>
<td>1.7%</td>
<td>2018</td>
<td>2.0%</td>
<td>2023</td>
<td>8.7%</td>
</tr>
</tbody>
</table>
Are You Planning on Working?

Consider working in retirement.
Earnings Limitation

For 2023, the limit on earnings for those collecting Social Security who have not reached the year of their Full Retirement Age (FRA):

$21,240 ($1,770/mo.)

One dollar in Social Security benefits is withheld for every $2 in earnings above this limit
Earnings Limitation Penalty

For example, assume in 2023 you collect a Social Security benefit at age 63, and have a part-time job that pays you $22,560 from January to December.

Earnings in 2023: $22,560
Earnings limitation: - $21,240

Amount over limit: $1,320
\[\div 2\]

Social Security Withheld: $660
Earnings Limitation

For 2023, the limit on earnings for those collecting Social Security in the year of their FRA, but who have not reached the month of FRA:

$56,520 ($4,710/mo.)

One dollar in Social Security benefits is withheld for every $3 in earnings above this limit.
Earnings Limitation

Once you reach your Full Retirement Age (65 – 67):
Getting Information

Visit ssa.gov

• Download publications

• Generate calculations: ssa.gov/estimator

• Register for a my Social Security account

• Review latest COLA’s, earning limitations, etc.
Getting Information

Call toll free: (800) 772-1213

• You can speak to a representative or use touch tone buttons to access information.

• Representatives are available weekdays, 8:00 a.m. – 7:00 p.m.
my Social Security

With an account, you may:

• Verify your earnings history

• View estimated Social Security benefits

• View Social Security and Medicare taxes paid

• Print your current Social Security Statement
Social Security Statement

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

<table>
<thead>
<tr>
<th>Age Retirement Benefits Start</th>
<th>Monthly Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>62</td>
<td>$1,465</td>
</tr>
<tr>
<td>63</td>
<td>$1,569</td>
</tr>
<tr>
<td>64</td>
<td>$1,681</td>
</tr>
<tr>
<td>65</td>
<td>$1,827</td>
</tr>
<tr>
<td>66</td>
<td>$1,973</td>
</tr>
<tr>
<td>67</td>
<td>$2,119</td>
</tr>
<tr>
<td>68</td>
<td>$2,291</td>
</tr>
<tr>
<td>69</td>
<td>$2,463</td>
</tr>
<tr>
<td>70</td>
<td>$2,634</td>
</tr>
</tbody>
</table>
You can view your complete earnings record online with my Social Security. If you find an error, view your full earnings record online and call (800) 772-1213.
“There is no tragedy in growing old, but there is tragedy in growing old without means of support.”

- Franklin D. Roosevelt