

Social Security Fact Sheet

What It Costs? – Both you and your employer pay taxes for Social Security and Medicare. You each pay half of the amount owed. Self-employed persons pay the combined rate. Two separate payroll taxes are withheld:

- Social Security – 6.2% of wages up to \$106,800.
- Medicare – 1.45% of all wages.

When Am I Eligible To Receive Full Retirement Benefits? – Full benefits are available between the ages of 65 and 67, depending on your birth date. Use the following table to determine the age you qualify for full retirement benefits.

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

Tax on Social Security – Social Security benefits are taxable as income (including tax free income) reaches the following levels:

50% Taxable	85% Taxable
Single - \$25,000	Single - \$34,000
Married - \$32,000	Married - \$44,000

Retirement Earnings Limit – If you begin to collect Social Security benefits before full retirement age, you can earn wages up to \$14,160. If your earnings exceed this amount your benefits are reduced \$1 for every \$2 above \$14,160.

Checking Your Benefit – You are provided a Social Security estimate each year. Your benefit statement is sent to you three months before your birthday. You may also check your benefits online at www.ssa.gov. Check the statement to be sure your wages have been credited properly. Mistakes happen!

Beware! – In spite of all the estimates provided the following caveat is printed on the personalized benefit statement that is sent to you.

“In 2017 we will begin paying more benefits than we collect in taxes. Without changes, by 2041 the Social Security Trust Fund will be exhausted and there will be enough money to pay only about 78 cents for each dollar of scheduled benefits.” Social Security and Medicare Trustee Report 2008

In other words, plan for our own retirement!

(All figures provided by Social Security Administration 2009 – Information is subject to change.
Consult with a legal or tax advisor prior to implementing any decision.)

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