

Social Security Fact Sheet

What It Costs? – Both you and your employer pay taxes for Social Security and Medicare. Self-employed persons pay the combined rate. Two separate payroll taxes for 2018 are withheld:

- Social Security – 6.2% of wages up to \$128,700.
- Medicare – 1.45% of all wages. 2.35% on wages above \$200k (single) \$250k (married)

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 \$17,040 for 2018. If your earnings exceed this amount your benefits are reduced \$1 for every \$2 above \$17,040.

Checking Your Benefit – You may 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 included on the Social Security Annual Report of 2016.

“Social Security is fully funded until 2034 and after that it is about three-quarters financed.”

In other words, plan for our own retirement!

(All figures provided by Social Security Administration 2018 – Information is subject to change.
Consult with a legal or tax advisor prior to implementing any decision.)