

# Social Security

Preparing for Retirement



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## Your Social Security Statement

WANDA WORKER

February 2, 2023

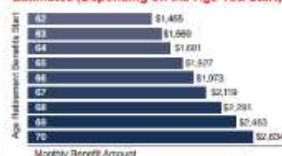
### Retirement Benefits

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 18: **\$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/TheresForMe](https://ssa.gov/TheresForMe).

### 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. 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 1996)
1971-1990	\$ 2,142	\$ 2,142
1991-1990	87,102	87,102
1991-2000	246,069	246,069
2001	34,147	34,147
2002	34,846	34,846
2003	35,021	35,021
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	45,666
2011	47,093	47,093
2012	48,560	48,560
2013	49,095	49,095
2014	50,605	50,605
2015	51,896	51,896
2016	52,108	52,108
2017	53,261	53,261
2018	53,906	53,906
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** You paid: \$75,568  
Employer(s): \$77,499

**Medicare taxes** You paid: \$18,158  
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/ssc-wsp](https://ssa.gov/ssc-wsp).

### 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 Retirement Calculator](https://ssa.gov/benefits/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's benefit. 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/planning/yourfamily](https://ssa.gov/benefits/retirement/planning/yourfamily).
- When you are ready to apply, visit [ssa.gov/benefits/retirement/apply](https://ssa.gov/benefits/retirement/apply).
- This Statement is updated annually. It is available online, or by mail upon request.

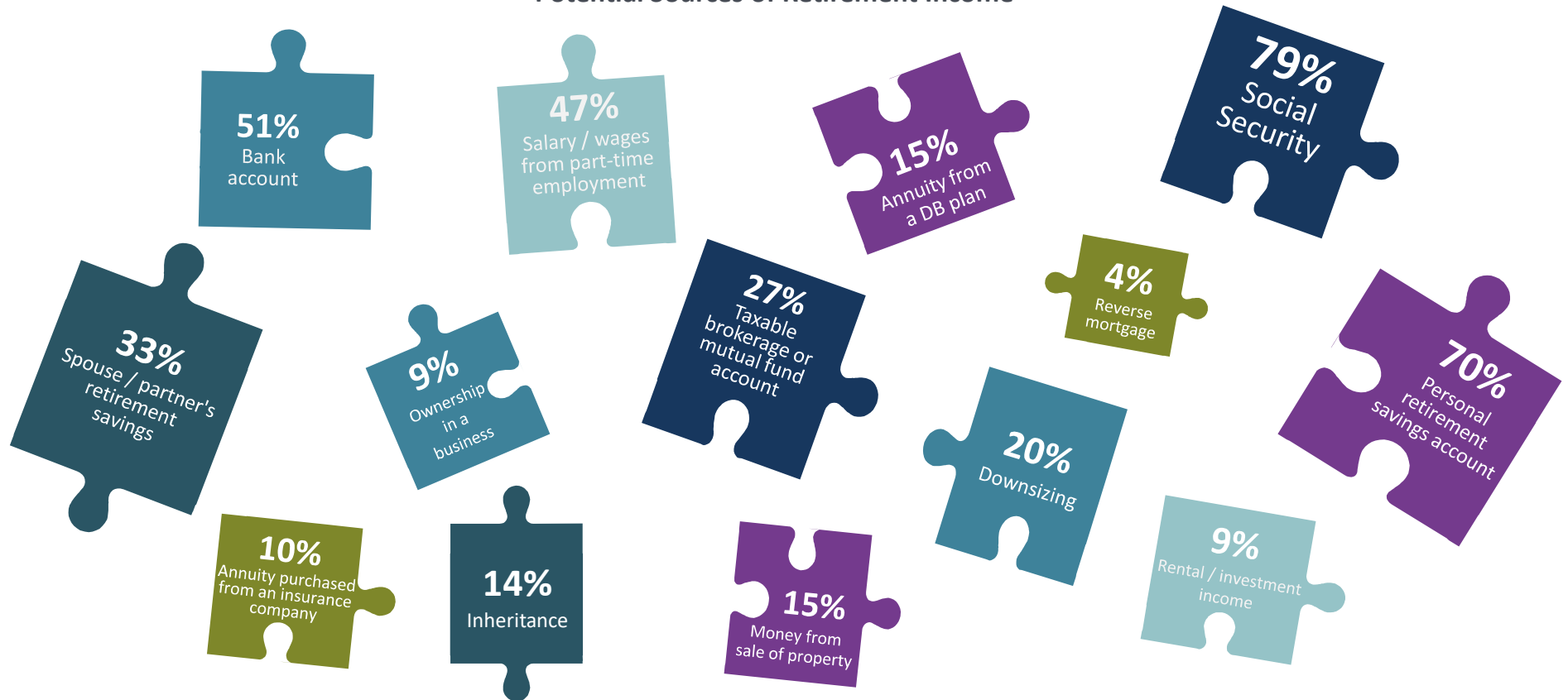
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Form SSA-7005-SM-CL (02/23) | Enclosures: Publication XX-XXXXX, Publication XX-XXXXX

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

# No “One-Size-Fits-All” Solution to the Retirement Income Puzzle

## Potential Sources of Retirement Income



Source: MFS 2024 Global Retirement Survey, US participants. 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%. See slide 49 for survey methodology.

# 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.

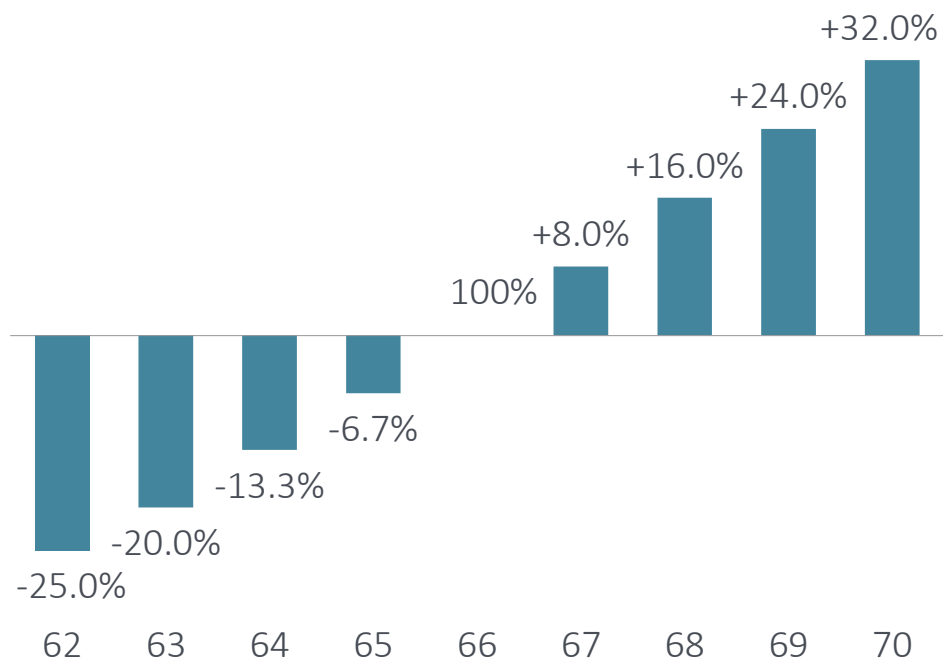
Year of Birth		Full Retirement Age (FRA)
1943-1954	◆	66 years
1955	▼	66 years and two months
1956	▼	66 years and four months
1957	▼	66 years and six months
1958	▼	66 years and eight months
1959	▼	66 years and ten months
1960+	▼	67 years

Source: Social Security Administration.

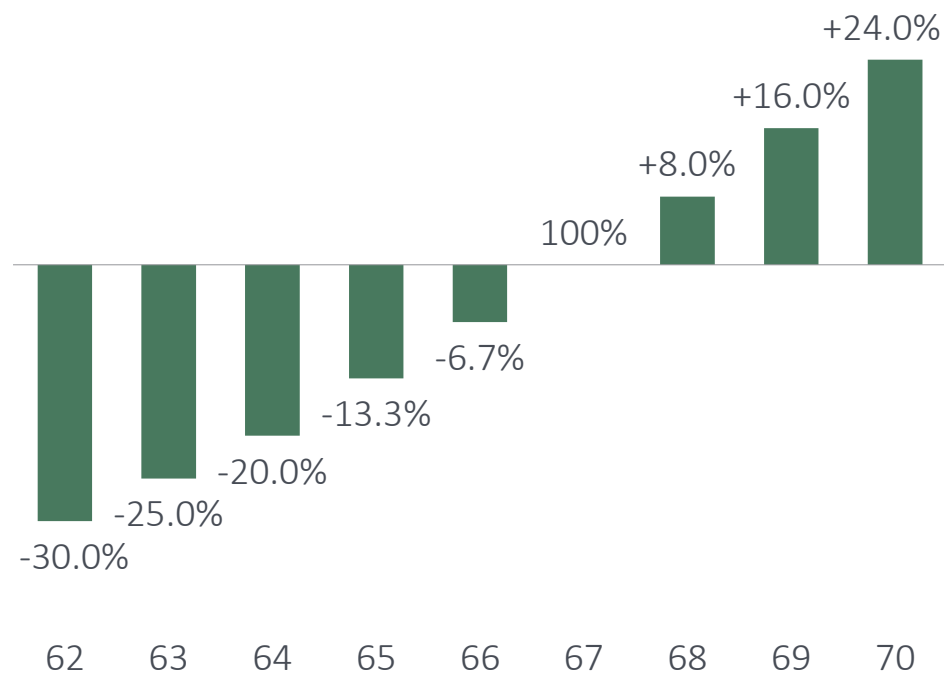
## Retirement Benefits

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 your Social Security benefits (retirement, spousal, survivor, divorce) received before FRA*

	Through year before you reach Full Retirement Age	In the year you reach Full Retirement Age	Month you reach Full Retirement Age and older
Earnings Limit (2025)	\$23,400 (\$1,950 per month)	\$62,160 (\$5,180 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 gross wages only. Unearned income (pensions, IRAs, rental income, etc.) does not cause Social Security benefits to be withheld.
- Earnings limit only affects gross wages received after you start Social Security.
- If married, Social Security only considers the wages of the spouse receiving Social Security.

Source: Social Security Administration.

## 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)

\*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.

Source: Social Security Administration.

# Options for Married Couples and Divorcees

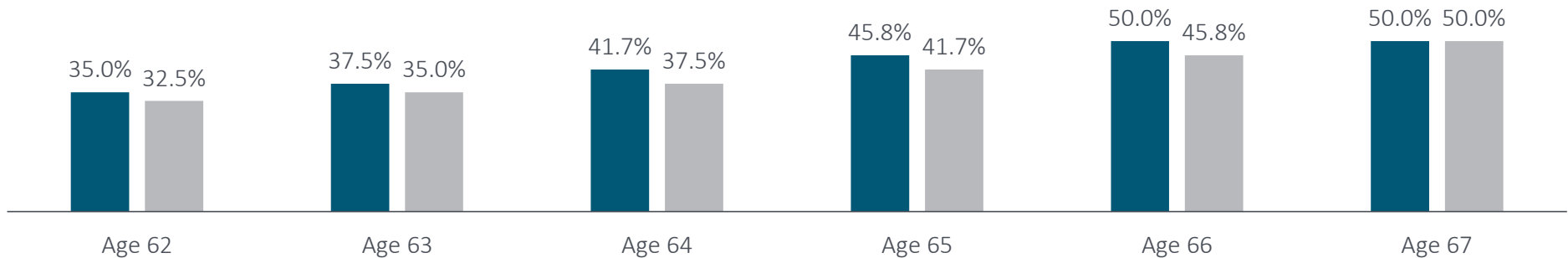


## Spousal Benefits

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

Age When You Claim the Spousal Benefit

■ FRA 66 ■ FRA 67



### 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

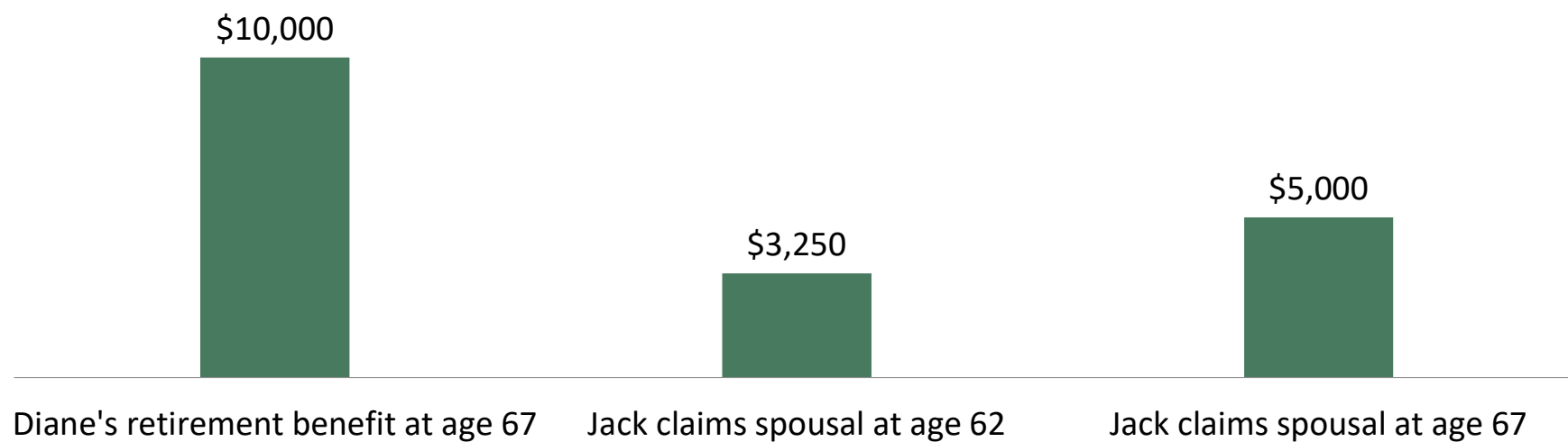
*Maximum spousal benefit at Full Retirement Age*



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*

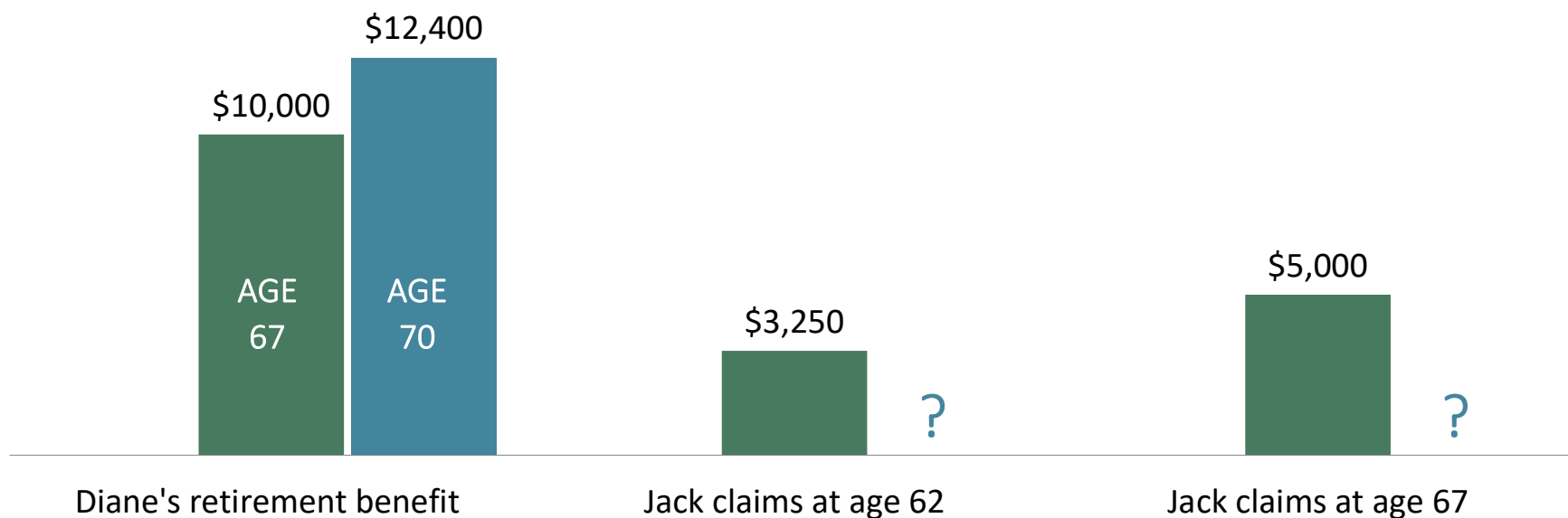


For illustrative purposes only. Based on Full Retirement Age (FRA) of 67. Calculations will vary if your FRA is different. Divorced spousal benefits are calculated in the same manner.



## Calculating Spousal Benefit

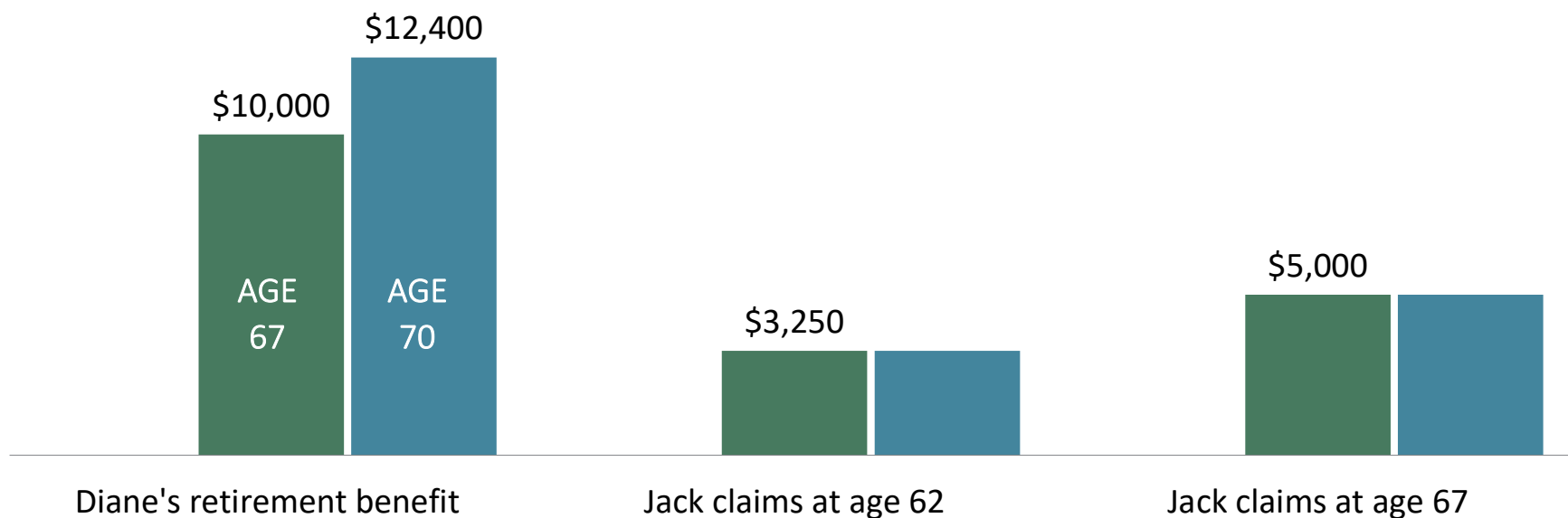
*If Diane claims at age 70*



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

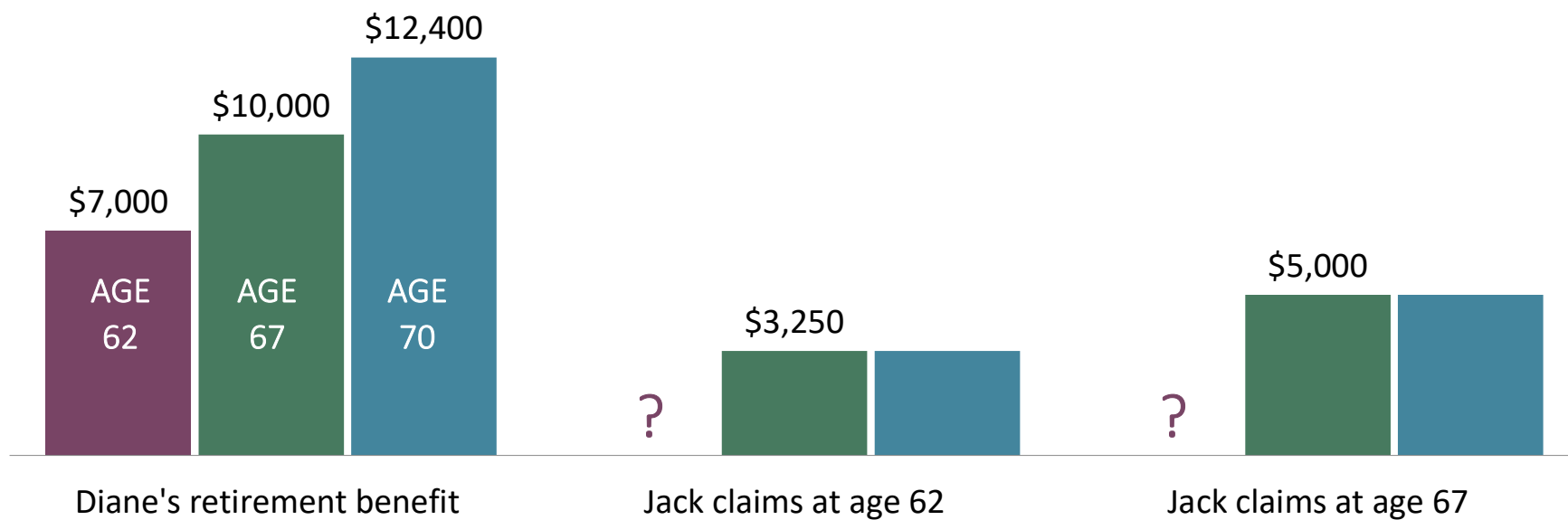
*Spousal benefit based on Diane's benefit at Full Retirement Age*



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

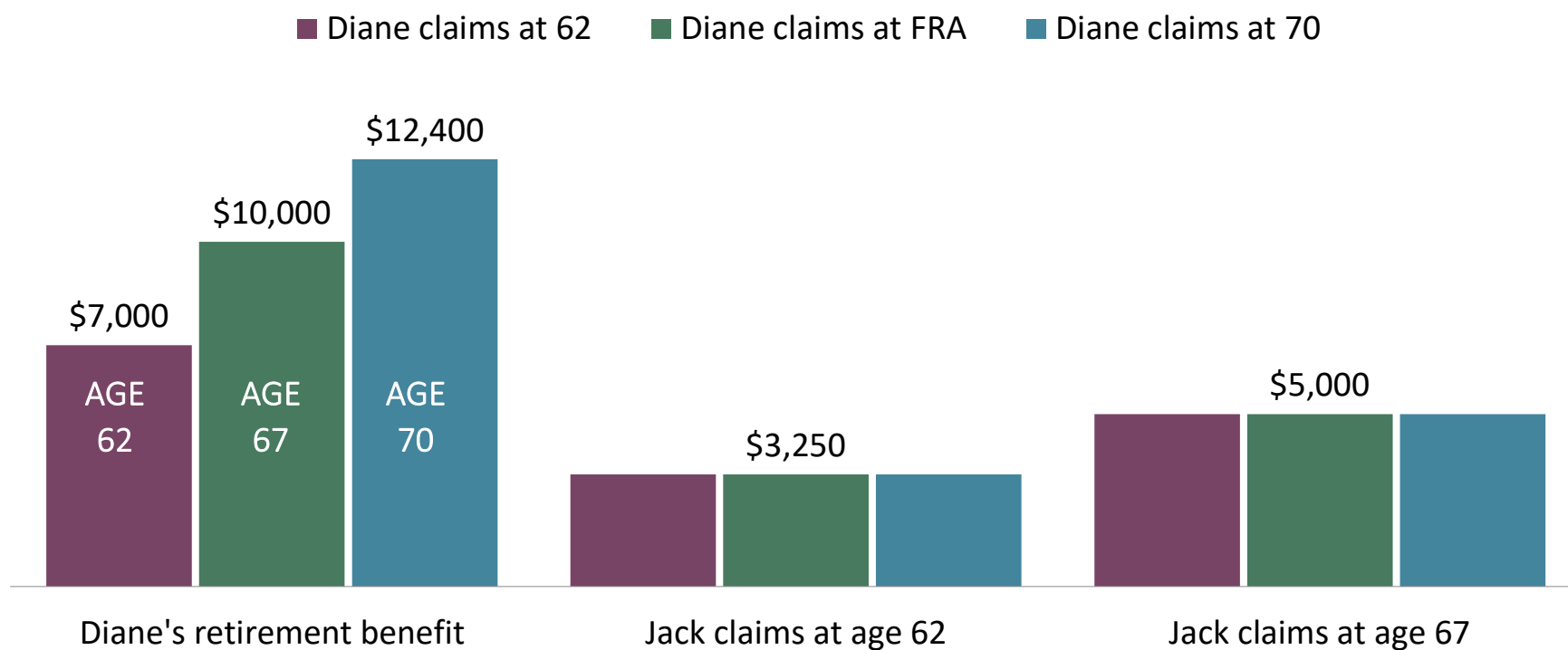
*If Diane claims at age 62*



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

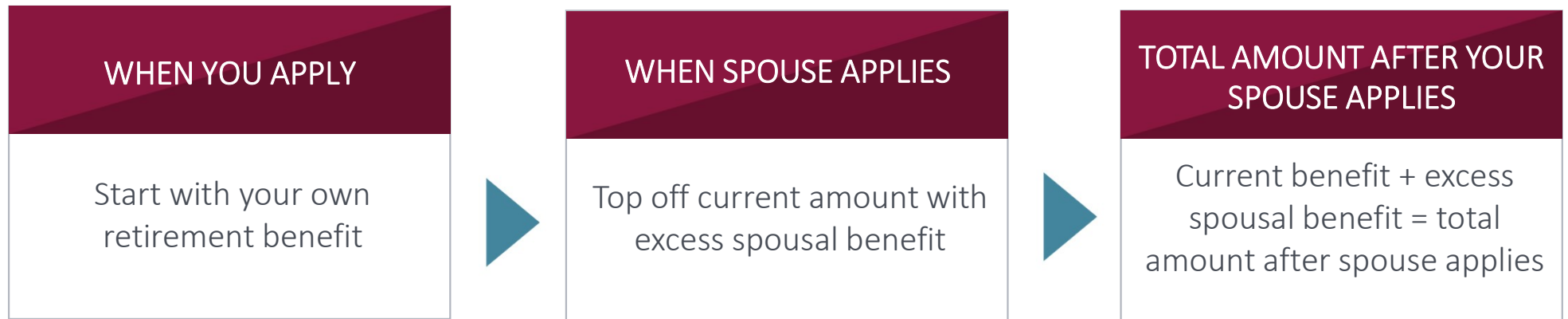
*Spousal benefit based on Diane's benefit at Full Retirement Age regardless of when Diane claims*



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 Jack Applies First

*Low earner starts with their retirement benefit, receives “top off” after spouse applies*



Excess spousal  
benefit (spousal  
top off)\*



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: What if Jack Applies for His Benefit at 62

Diane and Jack	
Jack retires at <b>62</b> .	Jack's retirement benefit <b>62</b> : \$1,400 Jack's retirement benefit <b>67</b> : \$2,000
Diane is also <b>62</b> and plans to work until <b>67</b>	Diane's retirement benefit <i>at 67</i> : \$10,000
What will Jack receive at age 62? When Diane applies?	

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.

## Case Study: What if Jack Applies for His Benefit at 62

*Start with (reduced) retirement benefit; top off with excess spousal benefit when Diane applies*



Jack applies at 62

*Jack's retirement benefit at age 62 is ...*

↓  
**\$1,400**



Diane applies when Jack is 67

Excess Spousal Benefit (top-off) = **\$3,000\***

Max Spousal Benefit \$5,000

Minus Jack's retirement benefit at 67 - \$2,000



After Diane applies

*Jack's total amount is now ...*

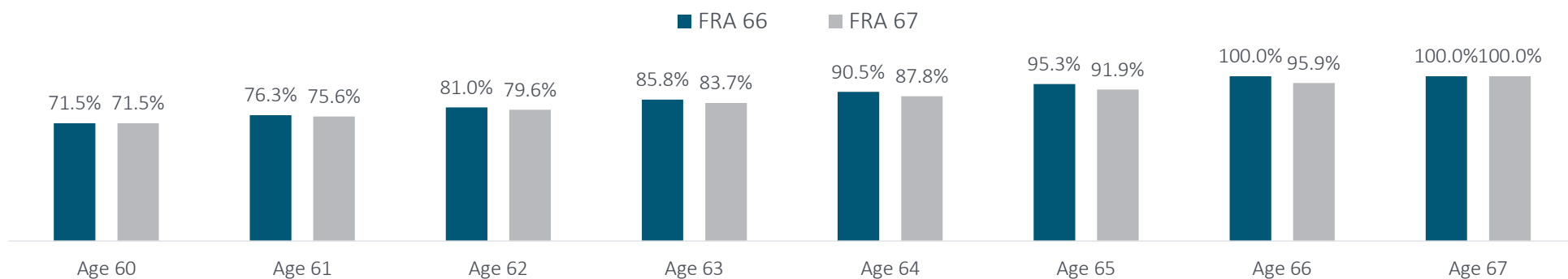
↓  
**\$4,400**

\*If Jack was under FRA when Diane applies, the excess spousal benefit (top off) would be reduced  
This hypothetical example is for illustrative purposes only.

## 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 benefit



#### Amount based on

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

#### Percentage based on

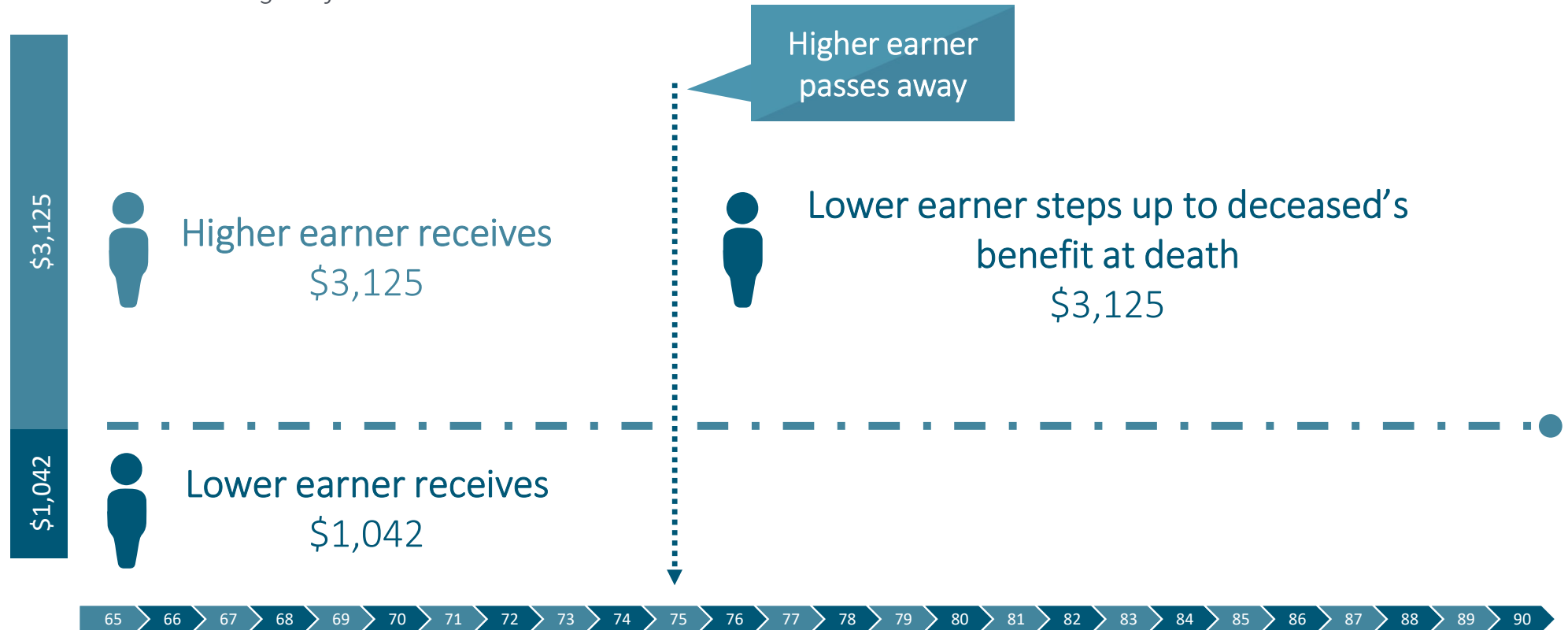
- Age survivor claims the survivor benefit
- If survivor claimed retirement or spousal before FRA: No impact. Survivor percentage based on when survivor claims the survivor benefit

\*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

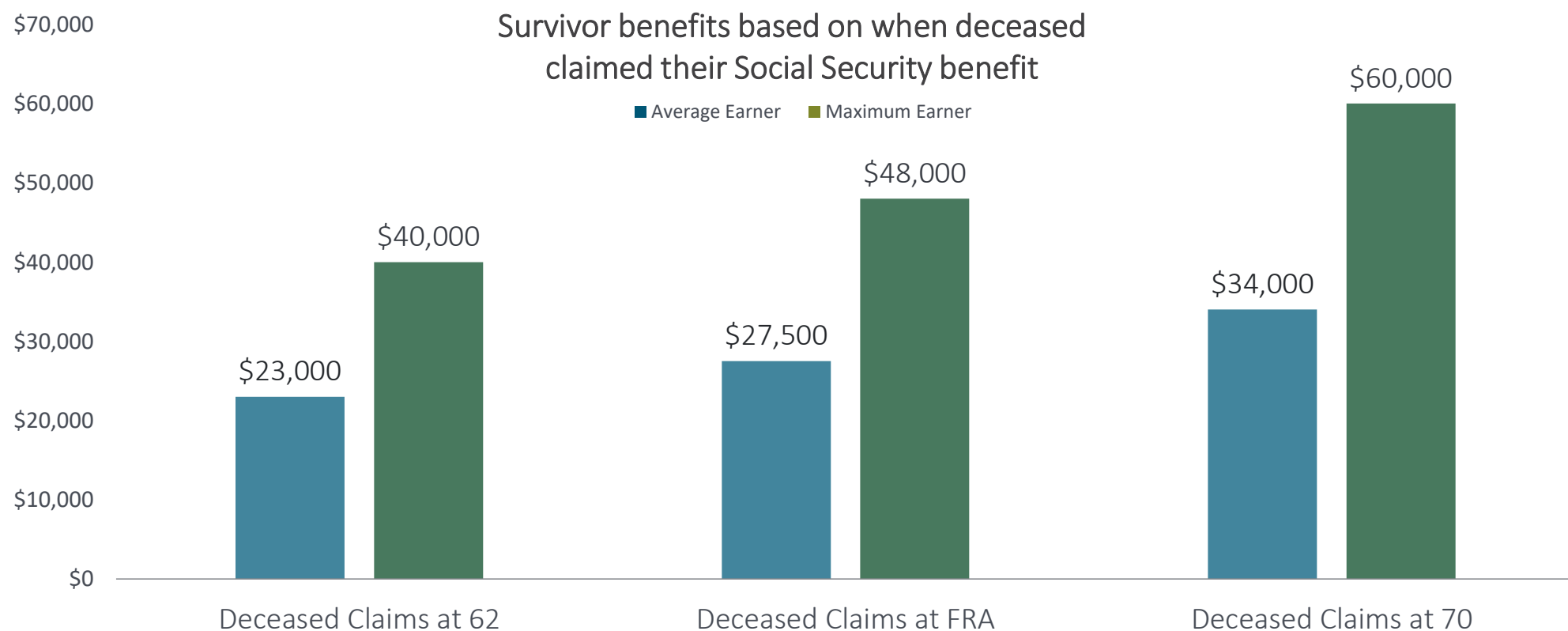
*Lower earner still eligible for max survivor*



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"*



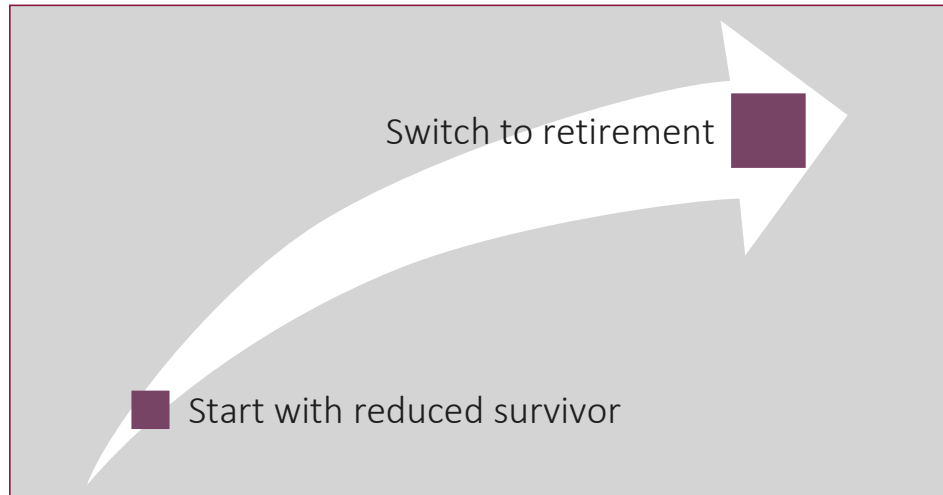
Source: Social Security Administration and MFS Calculations, 2024.

## Options for Widow(er)s

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

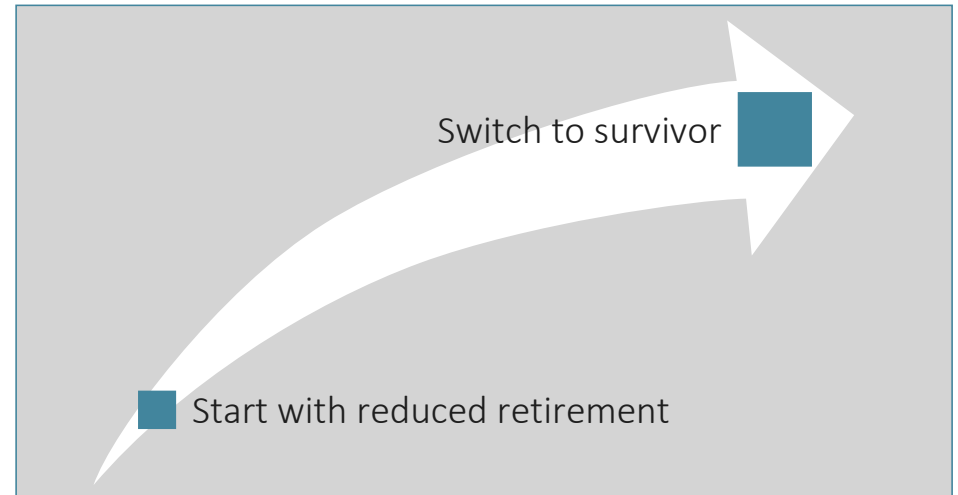
### Option 1

Start with reduced survivor benefit



### Option 2

Start with reduced retirement benefit



## Divorcee Benefits Available if Marriage Lasted 10+ Consecutive Years

*Max spousal is 50%, max survivor 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
- Survivor 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.

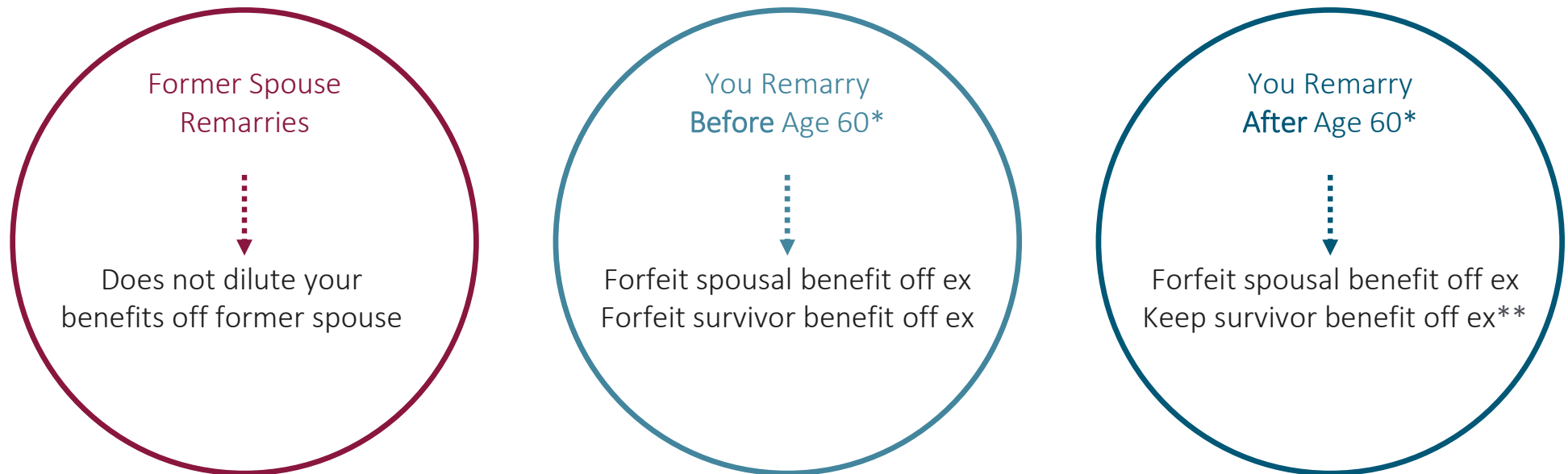
\*\*50 if you are disabled.

\*\*\*Spousal benefit: Only eligible to start with spousal benefit and switch to retirement benefit if you were born on/before 1/1/1954; Survivor benefits: 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

Jane



Tom



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

Jane



Theo



Jane is single, receives greater of

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

This hypothetical example is for illustrative purposes only.

## 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



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



**Kris** is single, receives greater of

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

This hypothetical example is for illustrative purposes only.

# Taxes and Your Retirement Plan





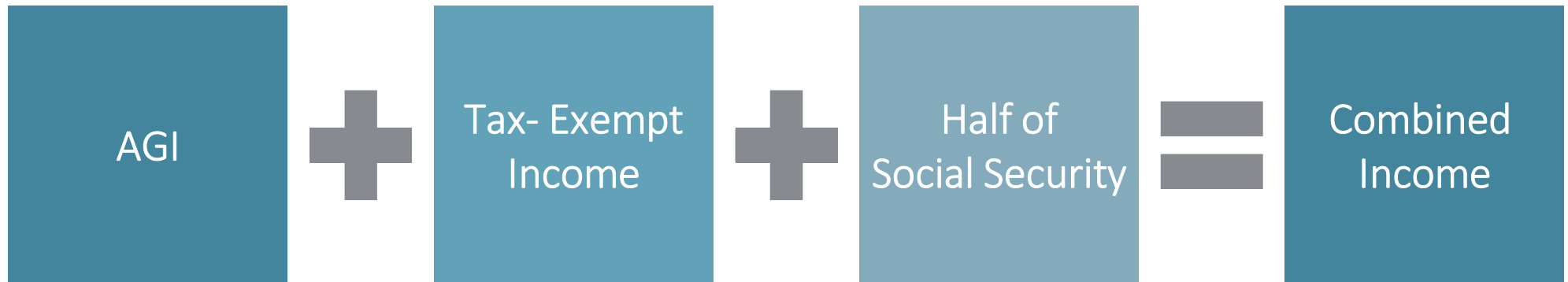
## Taxes and Social Security



	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
Individuals	< \$25,000	\$25,000 – \$34,000	\$34,001+
Married Couples Filing Jointly	< \$32,000	\$32,000 – \$44,000	\$44,001+

Source: IRS INFO 2001-0131.

## Combined Income Determines if Social Security Benefits Are Taxable



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.

Source: Social Security Administration.



## 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	\$30,545	\$51,160
Withdrawal from tax-deferred account	\$48,722	\$24,103
Combined income <sup>1</sup>	\$63,995	\$49,683
Taxable Social Security	\$22,995	\$10,831
AGI <sup>2</sup>	\$71,717	\$34,931
Taxable income after standard deduction <sup>3</sup>	\$41,017	\$2,634
<b>Federal income taxes</b>	<b>\$4,482</b>	<b>\$263</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 2024 is \$29,200 per couple; additional deduction for joint filer 65 and over is \$1,550 per person, for a total of \$3,100 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 \$66,000

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 are your income needs in retirement?
- If single: What is your life expectancy?
- If married: Who has the higher benefit?

### 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

## 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 survivor 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 survivor – then switch to the other**

For more information and answers to many questions about Social Security benefits, go to [ssa.gov](https://ssa.gov). For help determining what role Social Security benefits will play in your financial future, work closely with your investment or other relevant professional.

# Social Security Fairness Act



# Social Security Fairness Act (SSFA)

## What it does

Increases Social Security benefits for people with a non-covered pension

- Non-covered pension: pension paid by employer that does not withhold Social Security taxes.

## Who does it help

Some state and local government employees

- Teachers, firefighters, police officers, first responders
- Social Security coverage varies

Federal employees covered by Civil Service Retirement System

People whose work had been covered by a foreign social security system

Source: Congressional Research Service, “Social Coverage of State and Local Government Employees”, March 19, 2024.  
The right to alter, amend or repeal any provision of the Social Security Act is reserved to Congress. 42 U.S. Code Section 1304.



# SSFA Eliminated Two Provisions That Reduced Social Security Benefits



	Windfall Elimination Provision (WEP)	Government Pension Offset (GPO)
Who it affected	<p>You had</p> <ul style="list-style-type: none"><li>▪ one job that did not pay into Social Security</li><li>▪ another job that did pay into Social Security</li></ul> <p><i>Example: Firefighter who worked in the private sector on their days off</i></p>	<ul style="list-style-type: none"><li>▪ You worked in a federal, state or local government position that didn't pay into Social Security</li><li>▪ Your spouse worked in the private sector</li></ul> <p><i>Example: Public school teacher, spouse works in private sector</i></p>
What was reduced	<ul style="list-style-type: none"><li>▪ Your Social Security retirement or disability benefit</li><li>▪ Max reduction in 2024: \$587.00/month</li></ul>	<ul style="list-style-type: none"><li>▪ Social Security spousal/survivor benefits off your spouse</li><li>▪ May have eliminated spousal and survivor benefits</li></ul>

Source: Social Security Administration.

## Social Security Fairness Act

*Higher benefits, retroactive to January of 2024*

### Repealed WEP

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Higher monthly  
retirement benefits

### Repealed GPO

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Higher spousal and  
survivor benefits

### Retroactive benefits

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Retroactive benefits  
payable for January 2024  
and later

## WEP and GPO

### WEP Adjustment:

Maximum reduction based on year you turned 62

Year you turned 62	Max reduction to retirement and disability benefits
2024	\$587.00
2023	\$557.50
2022	\$512.00
2021	\$498.00
2019	\$463.00

*WEP reduced your retirement and disability benefits*

### GPO:

Sample Offset Amounts

Non-covered government pension	Offset to Social Security spousal and survivor benefits
\$1,500	\$1,000
\$3,000	\$2,000
\$4,500	\$3,000
\$6,000	\$4,500

*GPO reduced spousal and survivor benefits by two-thirds of the non-covered government pension*

## Case Studies

Teacher with  
non-covered pension,  
tutored in the summers

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**Before:** WEP reduced  
Social Security retirement  
benefit

**Now:** Social Security  
retirement is not reduced

Teacher with  
non-covered pension,  
spouse worked in the  
private sector

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**Before:** GPO reduced  
spousal and survivor  
benefits by 2/3 of the  
government pension

**Now:** May be eligible for  
spousal or survivor  
benefit for the first time

Teacher with non-covered  
pension, tutored in the  
summers; spouse worked  
in the private sector

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**Before:** received higher of  
retirement benefit  
(reduced by WEP) or  
spousal/ survivor  
(reduced by GPO)\*

**Now:** receives higher of  
retirement or  
spousal/survivor benefit

Teacher with  
non-covered pension,  
Never married

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No change. Not eligible  
for Social Security

\*Technically the teacher received the retirement benefit reduced by WEP. That was topped off with an excess spousal or survivor benefit that was reduced by GPO.

Thank You!



# Appendix

## Calculating Survivor benefits

*Deceased's claiming decision impacts the survivor benefit*

Deceased's claiming decision	Survivor benefit based on
Claimed at or after Full Retirement Age	Amount deceased was receiving at death
Passed away before Full Retirement Age, did not claim Social Security	Deceased's benefit at Full Retirement Age
Passed away at or after Full Retirement Age, did not claim Social Security	Amount deceased was entitled to receive at death (includes credits)
Claimed before Full Retirement Age	Widow(er) limit may apply*

Under the widow(er) limit, the surviving spouse receives the lesser of 1) the widow(er) percentage based off the deceased's FRA benefit or 2) the greater of the benefit the deceased was receiving at death or 82.5% of the deceased's FRA benefit.

# Medicare Part B and D premiums

## Monthly Premiums

### Medicare Part B and D premiums for 2025

Individual tax return in 2023	Joint tax return in 2023	PART B Premium per person	PART D Premium per person
< \$106,000	< \$212,000	\$185.00	Plan premium
\$106,001–\$133,000	\$212,001–\$266,000	\$259.00	\$13.70 + plan premium
\$133,001–\$167,000	\$266,001–\$334,000	\$370.00	\$35.30 + plan premium
\$167,001–\$200,000	\$334,001–\$400,000	\$480.90	\$57.00 + plan premium
\$200,001–\$499,999	\$400,001–\$749,999	\$591.90	\$78.60 + plan premium
\$500,000+	\$750,000+	\$628.90	\$85.80 + plan premium

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

Source: Medicare.gov, “Costs” [www.medicare.gov/basics/costs/medicare-costs](https://www.medicare.gov/basics/costs/medicare-costs).





## 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	\$40,344	\$67,572
Withdrawal from tax-deferred account	\$36,809	\$7,428
Combined income <sup>1</sup>	\$56,981	\$41,214
Taxable Social Security	\$17,034	\$4,607
AGI <sup>2</sup>	\$53,843	\$12,035
Taxable income after standard deduction <sup>3</sup>	\$21,543	\$0
<b>Federal income taxes</b>	<b>\$2,154</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 2024 is \$29,200 per couple; additional deduction for joint filer 65 and over is \$1,550 per person, for a total of \$3,100 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 \$105,000.

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

## 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: - Amount does not change - Funding switches from Disability to Retirement	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

Sources: [www.ssa.gov/redbook/eng/overview-disability.htm#&a0=2](http://www.ssa.gov/redbook/eng/overview-disability.htm#&a0=2).  
Social Security Handbook 723.2, Social Security Publication No. 05-10029, "Disability Benefits".

## 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 benefits 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 benefits 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

### Participants/Members

- 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.

### Retirees

- Fully or partially retired (*if 73+ must have retired within last 6 years*)
- Must have had a workplace DC or DB retirement plan

## METHODOLOGY

- Mode: 15 min. online survey
- MFS not revealed as the sponsor
- Field period: March 28 – April 13, 2024

## GLOBAL INSIGHTS FROM OVER 4,000 GLOBAL RESPONDENTS

Including **2,800+** Workplace Defined Contribution Retirement Plan / Scheme Members & **1,200+** Retirees

### CANADA

**703** Members  
**303** Retirees

### USA

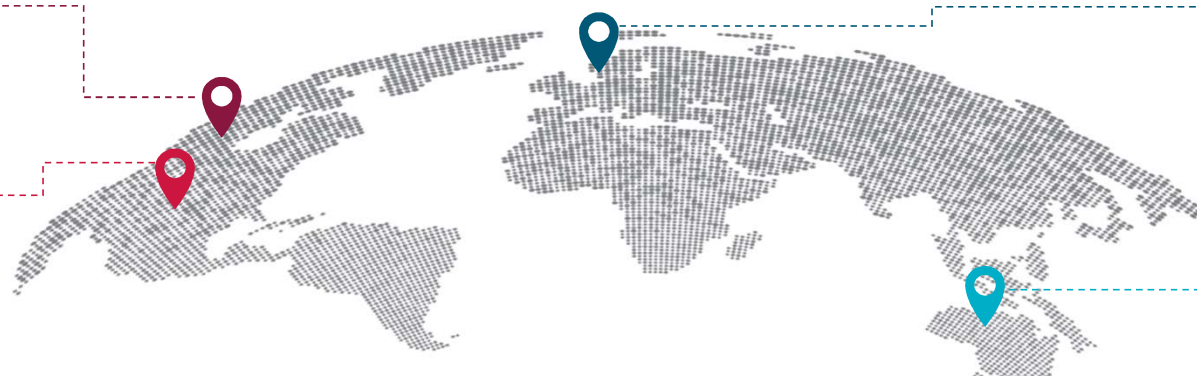
**725** Participants  
**310** Retirees

### UK

**701** Members  
**303** Retirees

### AUSTRALIA

**703** Members  
**306** Retirees



\*To qualify in each region:

US Participants: actively contributing to a 401(k), 403(b), 457, or 401(a) | US Retirees: had a 401(k), 403(b), 457, or 401(a), DB plan, or SEP/Simple IRA.

Canada Participants: 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 | Canada Retirees: had a DC Pension Plan, Group Registered Retirement Savings Plan, Deferred Profit Sharing Plan, Non-Registered Group Savings Plan, or Simplified Employee Pension Plan, or DB plan.

UK Members: actively contributing to a Defined Contribution Scheme or Master Trust | UK Retirees: had a Defined Contribution Scheme, Master Trust, or DB plan

Australia Members: actively contributing to an industry, retail, corporate or public sector super fund or a self-managed super fund | Australia Retirees: had an industry, retail, corporate or public sector super fund, a self-managed super fund, or a DB plan.

## WEP Adjustment: Maximum reduction based on year you turned 62

*WEP reduced your retirement and disability benefits*

Year you turned 62	Max reduction to retirement and disability benefits
2024	\$587.00
2023	\$557.50
2022	\$512.00
2021	\$498.00
2019	\$463.00

## GPO: Sample Offset Amounts

*GPO reduced spousal and survivor benefits by two-thirds of the non-covered government pension*

Non-covered government pension	Offset to Social Security spousal and survivor benefits
\$1500	\$1000
\$3000	\$2000
\$4500	\$3000
\$6000	\$4500